



**State Finances Audit Report
of the
Comptroller and Auditor General of India**

for the year ended March 2023



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Tamil Nadu
Report No. 2 of the year 2024

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P R E F A C E

This Report has been prepared for submission to the Governor of Tamil Nadu under Article 151 of the Constitution.

Chapter I of this report describes the basis and approach to the Report and the underlying data provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/ surplus for the year ended 31 March 2023.

Chapter II provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2018-19 to 2022-23, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter III is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional/codal provisions relating to budgetary management.

Chapter IV comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

Chapter V discusses the financial performance of State Public Sector Undertakings and the impact of comments issued as a result of supplementary audit of the Financial Statements of these State Public Sector Undertakings.

The Reports containing the findings of Performance Audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

About the Report

This Report of the CAG of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew at an average growth rate of 10.16 *per cent* from ₹16,30,209 crore in 2018-19 to ₹23,64,514 crore in 2022-23. Budget Outlay of the State grew at an average growth rate of 10.85 *per cent* from ₹2,67,993 crore in 2018-19 to ₹3,94,256 crore in 2022-23.

There was 14.16 *per cent* growth in GSDP over 2021-22. The revenue receipts grew at 17.47 *per cent* and the percentage of revenue receipts over GSDP improved from 10.02 *per cent* in 2021-22 to 10.31 *per cent* in 2022-23. The tax revenue increased by 23.93 *per cent* during the period and the State's own tax revenue increased by 22.27 *per cent*. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Tamil Nadu increased from ₹2,94,682 crore in 2021-22 to ₹3,26,755 crore in 2022-23, an increase of 10.88 *per cent*. Of this, revenue expenditure showed 10.21 *per cent* increase from 2021-22. Revenue deficit decreased from ₹46,538 crore to ₹36,215 crore registering 22 *per cent* decrease over 2021-22, while fiscal deficit increased marginally from ₹81,835 crore in 2021-22 to ₹81,886 crore in 2022-23 increasing by 0.06 *per cent*.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue accounts as well as capital expenditure (assets creation, loans and advances, investments, etc).

From 2018-19 to 2022-23, revenue receipts grew from ₹1,73,741 crore to ₹2,43,749 crore, with an average annual growth rate of 11.13 *per cent*. Capital receipts increased from ₹54,850 crore to ₹1,02,182 crore during this period. The share of Grants-in-aid in revenue receipts marginally rose from 13.45 *per cent* in 2018-19 to 15.48 *per cent* in 2022-23. The State Government

received ₹15,270 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Between 2018-19 and 2022-23, revenue expenditure increased from ₹1,97,201 crore (12.10 *per cent* of GSDP) to ₹2,79,964 crore (11.84 *per cent* of GSDP). It consistently made up a significant portion (86.50 to 87.65 *per cent*) of the total expenditure during this period, growing at an average annual rate of 86.50 *per cent*.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results in revenue deficit. The revenue deficit of the State increased to ₹36,215 crore (1.53 *per cent* of GSDP) in the current year from ₹ 23,459 crore (1.44 *per cent* of GSDP) in the year 2018-19.

The State Government spent ₹39,530 crore only on capital account. This was 12.10 *per cent* of the total expenditure in the year 2022-23. Capital expenditure was 39 *per cent* of the total borrowings. Thus, the borrowed funds were being used mainly for meeting current consumption and repayment of borrowings instead of capital creation/development activities.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State increased to ₹81,886 crore (3.46 *per cent* of GSDP) in 2022-23 from ₹ 47,335 crore (2.90 *per cent* of GSDP) in 2018-19.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 50-56 *per cent* of revenue expenditure during 2018-19 (56%) and 2022- 2023 (52%). The Committed expenditure increased at an average rate of 9.99 *per cent* i.e. from ₹1,09,573 crore in 2018-19 to ₹1,45,306 crore in 2022-23 {an increase of 14.85 *per cent* over 2021-22 (₹1,26,523 crore)}.

In addition to the committed expenditure, inflexible expenditure decreased from 18.24 *per cent* to 16.27 *per cent* of revenue expenditure during 2018-19 to 2022-23. The inflexible expenditure increased from ₹42,552 crore in 2021-22 to ₹45,541 crore in 2022-23 registering an increase of 7.02 *per cent*.

Taken together, the committed and inflexible expenditure in 2022-23 was ₹1,90,847 crore; 68 *per cent* of the revenue expenditure. The upward trend on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Subsidies constitute major portion of the non-committed expenditure

Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹18,922 crore in 2018-19 to ₹29,559 crore in 2022-23 i.e., from 9.60 *per cent* of the total revenue expenditure in 2018-19 to 10.56 *per cent* in 2022-23. Apart from this, the State Government also spent ₹438.87 crore on implicit subsidies.

Off-budget borrowings

The State Government, through Public Sector Undertaking, raised ₹1,184.69 crore as off-budget borrowings, which did not flow into the Consolidated Fund of the State but are required to be repaid and serviced through budget. In 2022-23, the State Government provided ₹128.11 crore for repayment and servicing of the off-budget borrowings. This was in addition of the repayment and interests paid on the borrowings by the Government.

Contingent Liabilities on account of Guarantees

The total outstanding guarantees of the State Government were ₹90,709.22 crore as on 31 March 2023. This constituted 43.72 *per cent* of the total revenue receipts of 2021-22 (₹2,07,492.40 crore) and 3.84 *per cent* of the GSDP (₹23,64,514 crore at current prices). No guarantee was invoked during the year.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, etc. and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, etc.

FRBM requirements and compliance with fiscal parameters

The targeted timeline to eliminate revenue deficit and reduce fiscal deficit was fixed by GoTN from time to time by amending the Tamil Nadu Fiscal Responsibility Act, 2003. In compliance with the provisions of TNFR Act, 2003, the targets for the period 2022-23 were set. The State had witnessed Revenue Deficit (₹36,215) during the year whereas the target set was to achieve revenue surplus by 2023-24. The fiscal deficit as a percentage of GSDP during 2022-23 stood at 3.46 which is within the projections of 3.5 *per cent* in Medium Term Fiscal Plan (MTFP). Outstanding liability to GSDP was 28.64 *per cent* as against limit of 29.30 *per cent*. Further, if the quantum of the off-budget borrowings is included as part of debt, the overall liability (Includes Public Debt and Public Account Liabilities) of the Government was 28.73 *per cent* of the GSDP.

As per the debt stabilisation analysis, the public debt of the Government of Tamil Nadu had grown at an average rate of 15.86 *per cent* between 2018-19 and 2022-23. Public debt-GSDP ratio has increased from 11.38 *per cent* in 2018-19 to 14.02 *per cent* in 2022-23.

The DOMAR analysis showed that the Domar gap (g-r) was positive during the period from 2018-19 and 2022-23, except 2020-21. During the pre-COVID period i.e 2018-19 and 2019-20, the real growth rate of the GSDP was 7.01 *per cent* and 3.25 *per cent* respectively and the Domar gap (expressed as g-r) remained positive but there was primary deficit in the State. Covid-19 affected the real growth rate of GSDP during 2020-21 and the Domar gap turned negative during the year. In the subsequent years (2021-22 and 2022-23), the Domar gap became positive along with primary deficit, which reflect that Public Debt as a percentage of GSDP tends towards a stable value and is therefore sustainable. Depending on the stock of debt, it will either increase or decrease in time to reach a stable level greater than zero.

Funds to Single Nodal Agency

The State Government received ₹14,137.90 crore being SNA's Central Share of CSS Schemes during the year. In compliance with GoI's directions, as on 31 March 2023, the State Government had transferred ₹13,629.21 crore being Central Share and corresponding State share of ₹11,311.31 crore to the SNA accounts. As of 31 March 2023, the amount of unspent amounts lying in the SNA Accounts was ₹11,453.81 crore. There was delay of 10 to 20 days beyond 21 days in release of GoI share to SNA in two schemes viz., Implementation of Project Tiger and PMAY and 1 to 20 days beyond 40 days in release of State Government share in two schemes viz National Mission on Edible Oil – Oil Palm and PMAY.

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-) 0.99 *per cent*. This was due to deviation up to 25 *per cent* in 41 grants, more than 25 *per cent* and up to 50 *per cent* in eight grants and more than 50 *per cent* and up to 100 *per cent* in six grants respectively. In the Capital section, deviation in outturn compared with BE was (-) 7.66 *per cent*. This was due to deviation up to 25 *per cent* in 13 grants, more than 25 *per cent* and up to 50 *per cent* in nine grants, more than 50 *per cent* and up to 100 *per cent* in six grants and more than or equal to 100 *per cent* in 15 grants respectively. The original provision given under five grants were surrendered and no expenditure incurred.

It was noticed that supplementary provisions of ₹441 crore during the year 2022-23 in 59 cases under 27 grants (more than ₹50 lakh in each case) proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Overall Budget reliability assessment indicates that though the deviations between the actual expenditure and original budget was less than 10 *per cent*, there were deviations up to 25 *per cent* and even above in different grants. Moreover, it was also noticed that in several cases, there were supplementary grants where expenditure was not even up to the original grant. A reliable budget practice should need to deal with such deviations.

Regularization of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Article 204 and 205 (1) (b) of the Constitution. Excess expenditure of ₹2,854.07 crore relating to 2014-22 was yet (September 2023) to be regularised by the State Legislature.

Misclassification in accounts

During the year, capital expenditure of an amount of ₹5.74 crore booked under the Major Head 5054 was to be transferred to 'State Infrastructure and Amenities Fund'. Instead, due to misclassification, the sum of ₹5.74 crore was transferred from Major Head 2217 to the 'State Infrastructure and Amenities Fund' as 'Expenditure met from Reserve Fund'. This had resulted in understatement of Revenue Expenditure to that extent.

Quality of Accounts & Financial Reporting Practices

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non- or short- discharging of liabilities and misclassification of transactions and data gaps.

Reconciliation

As per the Tamil Nadu Treasury Rules, all Departments are required to reconcile their expenditure and receipts with the expenditure booked in the accounts in the Accountant General Office. The State Government did not reconcile 5.21 *per cent* of the total expenditure and 6.14 *per cent* of the receipts.

The remaining unreconciled amounts both receipts and expenditure relates to 44 per cent of the CCOs.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government partly complied with IGAS-3: Loans and Advances made by the Government. The reconciliation of figures booked under the loan heads was not completed during 2022-23, subsequent to the restructuring of loans and advances given by the Government during the year 2018-19. Reconciliation with the State is under process.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 48 outstanding UCs of ₹1,435.43 crore were pending as on 31 March 2023.

Temporary Advance

693 number of temporary advances amounting to ₹296.97 crore drawn by various DDOs, which remained unadjusted as on 31 March 2023. Out of which 112 temporary Advances amounting to ₹ 110.73 crore pertained to the period upto 2021-22.

Funds outside Government Account

It was noticed that TANGEDCO collected ₹5,493.40 crore as Electricity Tax from consumers but remitted only ₹1,228.79 crore. The amount of electricity tax collected but not remitted into the consolidated fund as of 31 March 2023 stood at ₹4,264.61 crore.

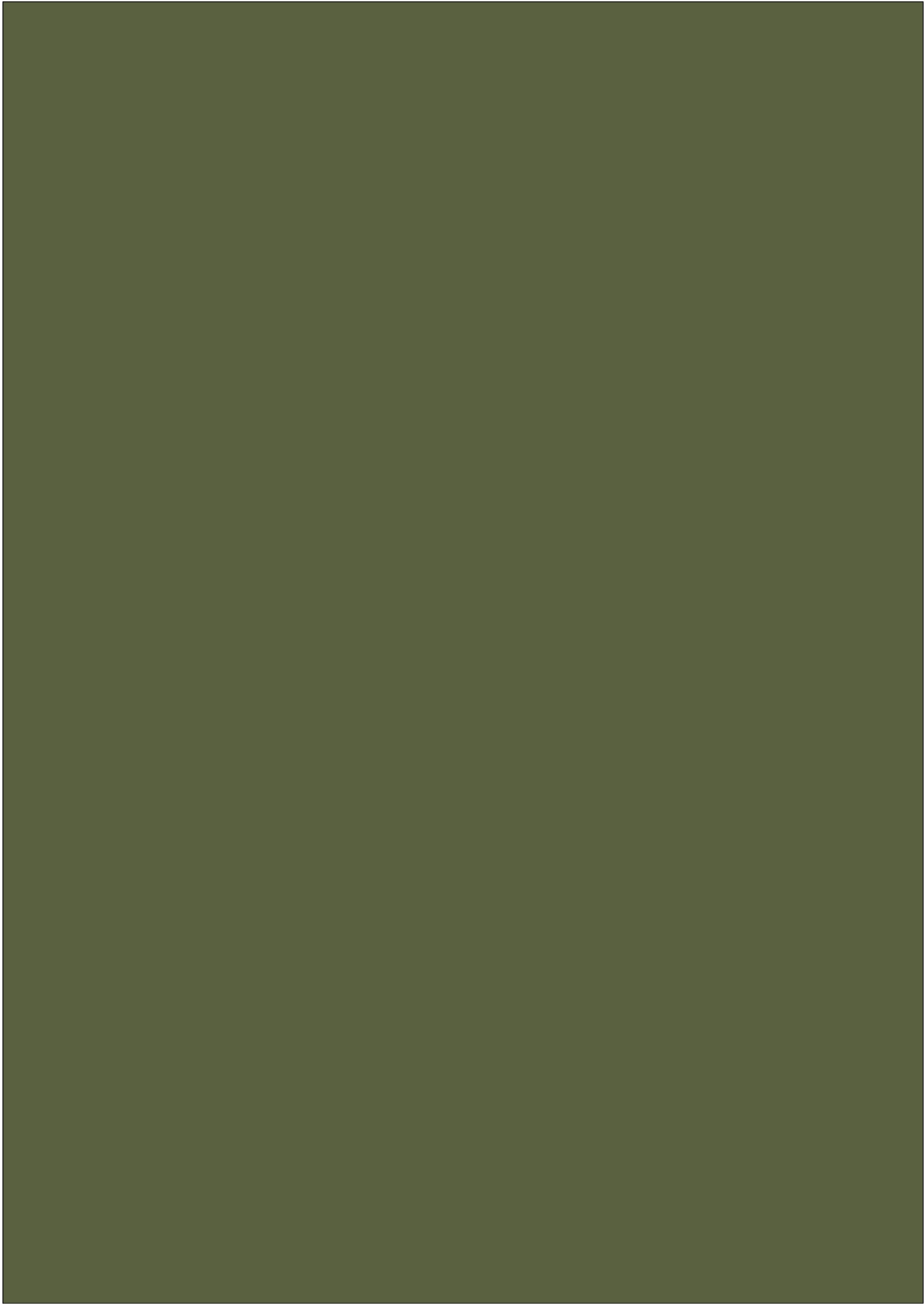
Working of State Public Undertakings

As on 31 March 2023, there were 102 State Public Sector Undertakings (PSUs) in Tamil Nadu, including 74 Government Companies (including two inactive Government Companies), one Statutory Corporation and 27 Government Controlled Other Companies under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). Audit noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by 16 PSUs whose 22 accounts were in arrears. Out of the total profit of ₹2,560.42 crore earned by 54 working PSUs, 63.81 *per cent* was contributed by three PSUs only. Out of total loss of ₹16,047.99 crore incurred by 35 working PSUs, loss of ₹9,848.74 crore was incurred by three power sector PSUs and ₹6,077.86 crore by eight PSUs in Transport sector. The financial impact of CAG's comments on the financial statements of PSUs during the year 2022-23 was as ₹393.52 crore on profitability.

The State Government may impress upon the managements of PSUs to ensure timely submission of their financial statements. In the absence of finalised accounts, Government investments in such PSUs remain outside the oversight of the State Legislature. The State Government may also analyse the reasons of losses in loss making PSUs and initiate steps to make their operations efficient and profitable.

CHAPTER I

OVERVIEW



CHAPTER I

OVERVIEW

1.1 Introduction

This chapter provides a brief profile of the State and describes the basis and approach to the Report. The underlying data provides an overview of the structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficit/surplus.

1.2 Profile of Tamil Nadu

Tamil Nadu, with a geographical area of 1,30,058 Sq. Km is the 11th largest State in India. It comprises of 38 Districts and 313 Taluks. As per the census 2011, the State's population was 7.21 crore, making it the seventh largest State in terms of population. As per population projections for India and States 2011-2036 by National Commission on Population, Ministry of Health & Family Welfare, the projected population of the State in 2022-23 stands at 7.68 crore. General and financial data relating to Tamil Nadu are provided in **Appendix 1.1**.

1.2.1 Gross State Domestic Product and Gross State Value Added of the State

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

As per the United Nations System of National Accounts of 2008, Gross Value Added (GVA) is defined as the value of output less the value of intermediate consumption and is a measure of the contribution to Gross Domestic Product (GDP) made by an individual producer, industry or sector. Thus, GVA is considered a better indicator of economic growth compared to GDP and is used for economic analysis by GoI and international organisations like IMF and World Bank, as it ignores the impact of taxes and subsidies.

From a policymaker's perspective, it is vital to have a comparison of the GVA and GDP data to the nation with the Gross State Value Added (GSVA) and GSDP data of the State for better analysis and making policy interventions.

Trends in GSVA and GSDP compared to GVA and GDP, respectively are shown in **Table 1.1**.

**Table 1.1: Trends in GSVA and GSDP compared to the GVA and GDP
(at current prices)**

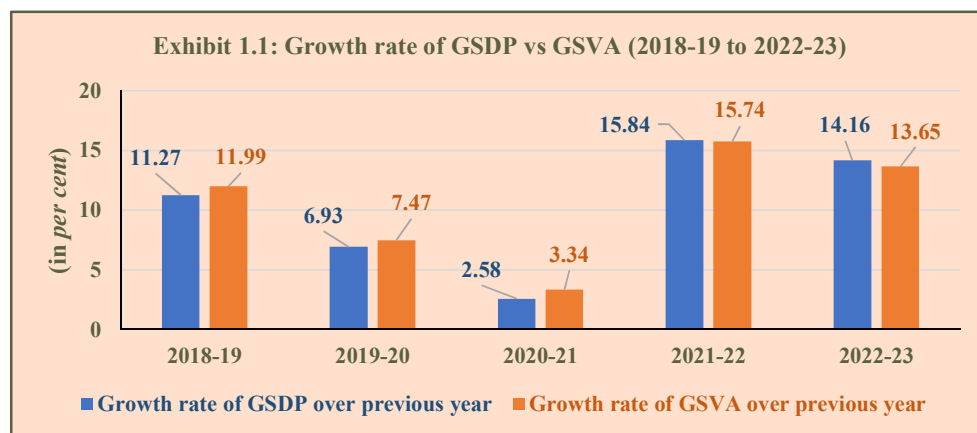
	(₹ in crore)				
Year	2018-19	2019-20	2020-21	2021-22	2022-23
India					
GDP (2011-12 Series)	1,88,99,668	2,01,03,593	1,98,29,927	2,34,71,012	2,72,40,712
Gross Value added (GVA)	1,71,75,128	1,83,81,117	1,81,88,780	2,14,38,883	2,47,42,871
Growth rate of GDP over previous year (in per cent)	10.59	6.37	(-) 1.36	18.36	16.06
Growth rate of GVA over previous year (in per cent)	10.77	7.02	(-) 1.05	17.87	15.41
Per capita GDP (in ₹)	1,42,424	1,49,915	1,46,301	1,71,498	1,96,983
Tamil Nadu State					
GSDP at current prices (2011-12 Series)	16,30,209	17,43,144	17,88,074	20,71,286	23,64,514
GSVA	14,90,042	16,01,332	16,54,821	19,15,234	21,76,648
Growth rate of GSDP over previous year (in per cent)	11.27	6.93	2.58	15.84	14.16
Growth rate of GSVA over previous year (in per cent)	11.99	7.47	3.34	15.74	13.65
Per capita GSDP (in ₹)	2,15,785	2,29,657	2,34,486	2,70,629	3,08,020

(Source: Central Statistical Office (CSO), Ministry of Statistics and Programme implementation, GoI)

The growth rate of the State's Gross Domestic Product (GSDP) in 2022-23 at current prices was 14.16 per cent as against India's growth rate of 16.06 per cent. During post Covid period i.e. 2021-22, there was a significant boost in the growth rate of GSDP, which stood at 15.84 per cent. During the current year, though the growth rate was 14.16 per cent, which was lesser than the previous year, it was, however, significantly higher when compared with 2018-19.

The State's Gross Domestic Product (GSDP) in 2022-23 at current prices was ₹23,64,514 crore and the GDP in 2022-23 at current prices was ₹2,72,40,712 crore. Further, the per capita GSDP of the State for the year 2022-23 was ₹3,08,020 while that of the country was ₹1,96,983.

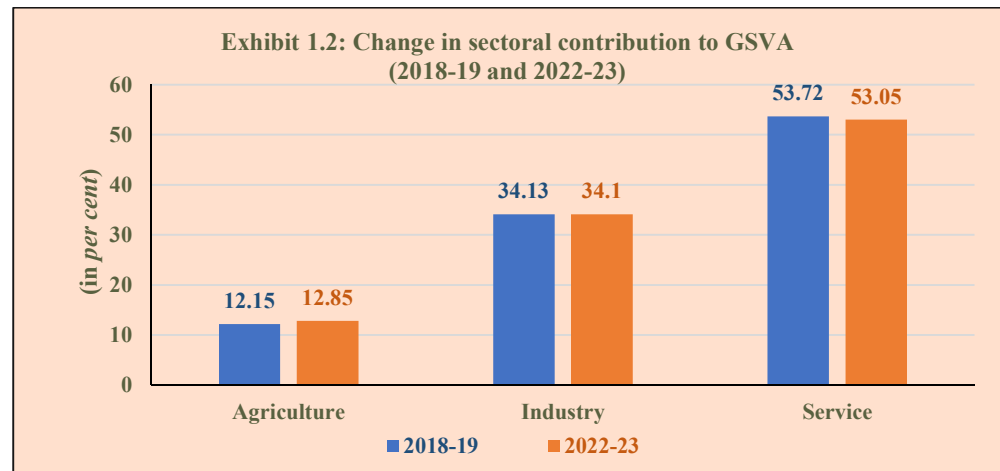
The trends of GSDP and GSVA for the period from 2018-19 to 2022-23 is indicated in **Exhibit 1.1**.



(Source: Ministry of Statistics and Programme Implementation)

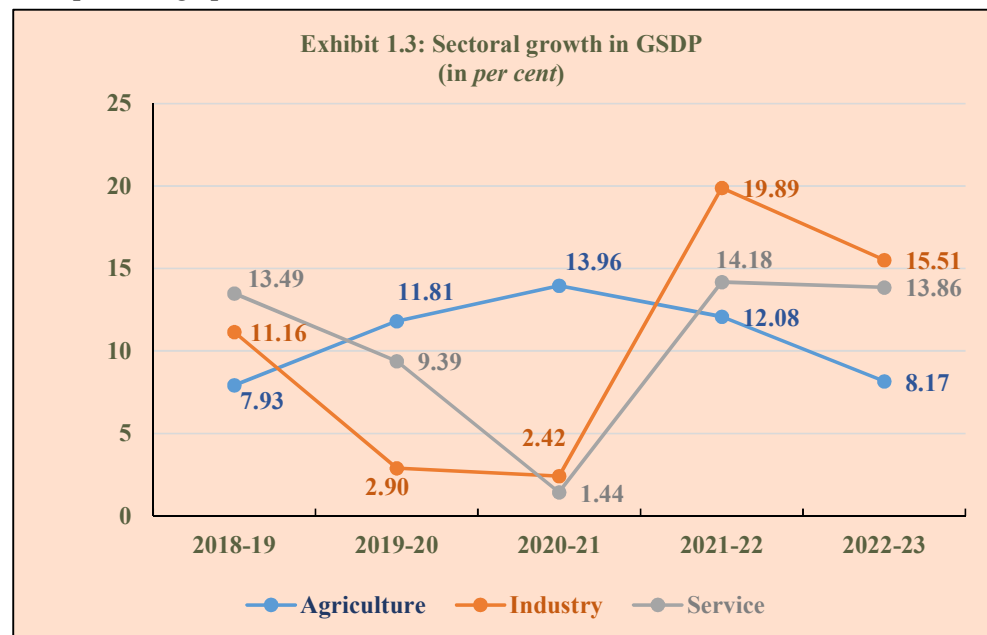
The year over year of GSVA (YOY growth of GSVA) was more than growth rate of GSDP for the period from 2018-19 to 2020-21. But during 2021-22 and 2022-23, the growth rate of GSVA was less than growth rate of GSDP.

Changes in sectoral contribution to the GSVA is important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors. The Sectoral contribution to GSVA and Sectoral growth in GSDP during the period 2018-19 to 2022-23 are depicted in Exhibits 1.2 and 1.3.



(Source: Ministry of Statistics and Programme Implementation)

During the five year period, the sectoral contribution of Agriculture Sector had increased marginally by 0.70 percentage points. There was a reduction of 0.67 percentage points in the Service Sector.



(Source: Ministry of Statistics and Programme Implementation)

From the above exhibit, it is seen that there was a substantial decrease in both Industry and Agriculture sectors and a marginal decrease in service sector during the year 2022-23, when compared with the previous year.

1.3 Basis and Approach to State Finances Audit Report

The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India. According to Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

Principal Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India. In Tamil Nadu, the Treasuries compile the accounts from the vouchers (primary compilation) which, along with the vouchers, are then furnished to Principal Accountant General (A&E) for secondary compilation. These accounts are audited independently by the Principal Accountant General (Audit - I) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State for the year 2022-23 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2022-23, for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit-I), Tamil Nadu;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS),
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the Finance Commission (FC), Tamil Nadu State Financial Responsibility and Budget Management Act (TNFR Act), best practices and guidelines of the Government of India. An entry conference was held with State Finance Department on 25 July 2023 and the exit conference was held on 3 November 2023.

Replies received from the Government during the exit conference have been incorporated suitably in the report wherever applicable.

1.4 Overview of Government Account Structure and Budgetary Processes

Government Accounts are defined by the twin principles of Fund based accounting and functional classification of transactions of the Government. Fund based accounting system involves sourcing and allocating all receipts and disbursements to one of the three Funds, viz., Consolidated Fund, Contingency Fund and Public Account. These Funds are created by the Constitution and function as instruments of public accountability. The details and purpose of each of these Funds are as given below:

1. Consolidated Fund of the State (Article 266(1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans. No money can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments etc.) constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

2. Contingency Fund of the State (Article 267(2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. Expenditure from the Fund is recouped subsequently by debiting the expenditure to the concerned functional major head under the Consolidated Fund of the State. The corpus of this Fund in Tamil Nadu is ₹150 crore.

3. Public Accounts of the State (Article 266(2) of the Constitution of India)

Apart from the above, all other public money received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes re-payables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest),

Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget documents

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the Government in respect of every financial year. This 'Annual Financial Statement' (AFS) constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consists of tax revenue (Own Tax revenue plus share of Union Taxes / Duties), non-tax revenue and grants from Government of India.

Revenue expenditure consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

Capital receipts consist of Debt receipts and Non-debt receipts as explained below:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, etc.;
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances;

Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment and investment in shares.

Loans and advances includes loans and advances given by the Government to PSUs and other parties.

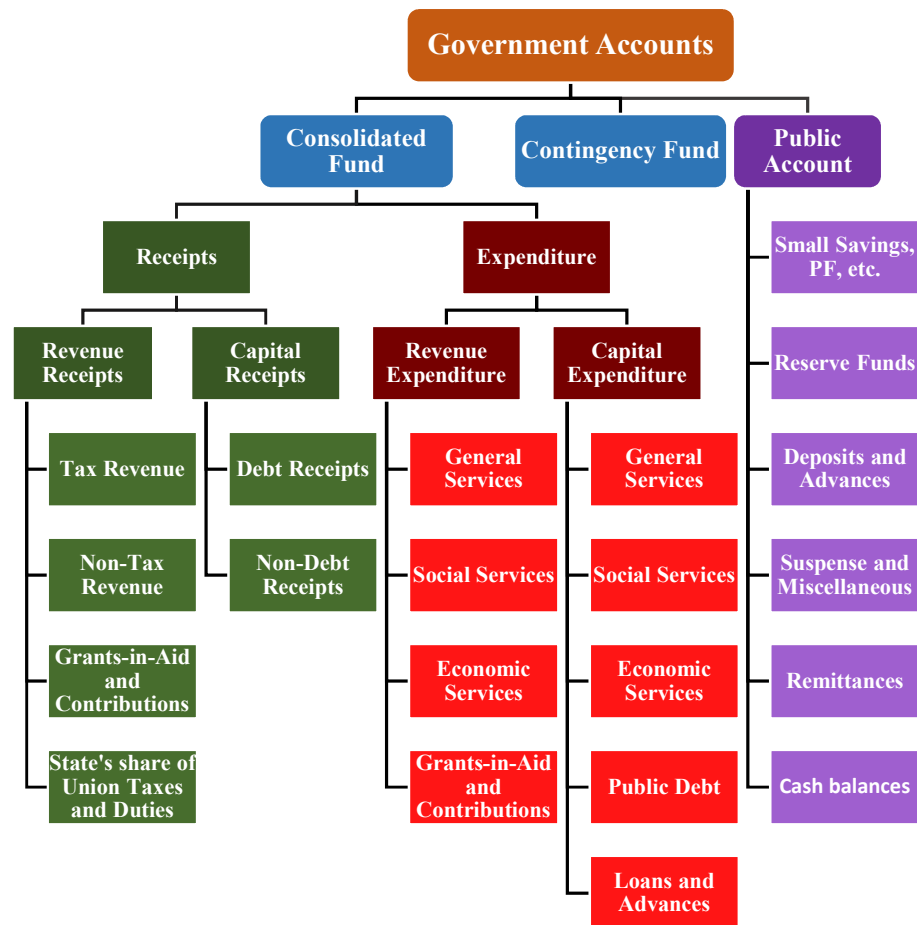
At present, we have an accounting classification system in Government that is both functional and economic.

	Attribute of transaction	Classification
Standardised in List of Major and Minor Heads (LMMH) by CGA	Function- Education, Health, etc.	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (3-digit) - Salary, Maintenance etc.
	Economic nature/Activity	Object Head (2-digit) - Pay, Periodical maintenance, etc.

The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, etc. Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure, etc. Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, generally “Pay” object head is revenue expenditure, “Major Works” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

The structure of Government Accounts and the layout of Finance Accounts are shown in **Appendix 1.2**. The methodology adopted for assessment of the fiscal position of the State is given in **Appendix 1.3 - Part A**. The salient features of the TNFR Act, 2003, subsequently revised in June 2021, are given in **Appendix 1.3 - Part B**.

Structure of Government Accounts



Public Debt and Public Liability

In this Report, 'Public Debt' has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government etc. For this purpose, the major heads 6003 and 6004 - Public Debt have been taken into consideration.

Further, the transactions relating to 'Small Savings, Provident Fund, etc.' 'Reserve Funds' and 'Deposit and Advances' under Public Account are such that the Government incurs a liability to repay the money received or has a claim to recover the amounts paid. The transactions relating to 'Remittances' and 'Suspense' under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, 'Public Liability' has been taken to include the transactions under major heads 8001 to 8554 relating to 'Small Savings, Provident Fund, etc.', 'Reserve Funds' and 'Deposit and Advances' along with the transactions under major heads 6003 and 6004.

1.5 Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Tamil Nadu caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2022-23, in the form of an **Annual Financial Statement** (referred to as Budget) with estimates of expenditure,

- charged upon the Consolidated Fund of the State;
- the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State; and shall distinguish expenditure on Revenue Account from other expenditure.

This 'Annual Financial Statement' (AFS) constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

In terms of Article 203, the above was submitted to the State Legislature in the form of 54 Demands for Grants/ Appropriations and two 'Other Publications' for Debt Charges and Public Debt repayments. After approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter III** of this Report.

1.6 Snapshot of Finances

The **Table 1.2** provides the details of actual financial results *vis-à-vis* Budget Estimates (Revised) for the year 2022-23 *vis-à-vis* actual of 2021-22.

Table 1.2: Financial results *vis-à-vis* Budget Estimates (Revised) for the year 2022-23 *vis-à-vis* actual of 2021-22

(₹ in crore)						
Sl. No.	Components	2021-22 Actuals	2022-23 (BE Revised)	2022-23 Actuals	Percentage of actual to BE	Percentage of actual to GSDP ^s
1	Tax Revenue*	1,60,324	1,90,602	1,88,954	99.14	7.99
	(i) Own-Tax Revenue	1,22,866	1,51,871	1,50,223	98.91	6.35
	(ii) Share of Union taxes/duties**	37,458	38,731	38,731	100.00	1.64
2	Non-Tax Revenue	12,117	15,309	17,061	111.44	0.72
3	Grants-in-aid and Contributions***	35,051	39,748	37,734	94.93	1.60
4	Revenue Receipts (1+2+3)	2,07,492	2,45,660	2,43,749	99.22	10.31
5	Recovery of Loans and Advances	5,355	1,141	1,078	94.48	0.05
6	Other Receipts	--	0	42	100.00	0.00
7	(i) Borrowings and other Liabilities ^(a)	99,148	74,746	90,841	121.53	3.84
	(ii) Net of opening and closing cash balance ^(b)	(-) 17,313	(-) 222	(-) 8,955	4033.78	0.38
	Total (i) + (ii)	81,835 [#]	74,524	81,886	109.88	3.46
8	Capital Receipts (5+6+7)	87,190	75,665	83,006	109.70	3.51
9	Total Receipts (4+8)	2,94,682	3,21,325	3,26,755	101.69	13.82
10	Revenue Expenditure	2,54,030	2,76,136	2,79,964	101.39	11.84
11	Interest payments	41,564	46,896	46,911	100.03	1.98
12	Capital Expenditure	37,011	38,347	39,530	103.08	1.67
13	Loan and advances	3,641	6,842	7,261	106.12	0.31
14	Total Expenditure (10+12+13)	2,94,682	3,21,325	3,26,755	101.69	13.82
15	Revenue Deficit^{^^}: (4-10)	(-) 46,538	(-) 30,476	(-) 36,215	118.83	(-) 1.53
16	Fiscal Deficit^{^^}: (4+5+6)-14}	(-) 81,835	(-) 74,524	(-) 81,886	109.88	(-) 3.46
17	Primary Deficit (16-11)	(-) 40,271	(-) 27,628	(-) 34,975	126.59	(-) 1.48
	Buoyancy Ratios					
	(a) Revenue Receipts	1.21	1.45	1.23		
	(b) Revenue Expenditure	0.47	0.46	0.72		

(a) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account.

(b) There was a difference of ₹103.07 crore between the cash balance reported by AG (A&E) and RBI (details in Para 4.13)

\$ GSDP at current prices ₹23,64,514 crore; * includes SGST ₹53,822.69 crore; ** includes CGST ₹10,945.36 crore.

*** Compensation to State Government for Revenue losses on rollout of Goods and Services Tax ₹16,214.83 crore

Effective borrowings and other liabilities would be ₹73,740 crore during 2021-22 as the Department of Expenditure, GoI had decided that GST compensation of ₹8,095 crore given to state as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

^^ The Revenue deficit of ₹46,538 crore and the fiscal deficit of ₹81,835 crore during the year 2021-22 may be read in conjunction with debt receipt of ₹8,095 crore in lieu of GST compensation.

(Source: Budget documents and Finance Accounts for the respective years)

During the year 2022–23, the revenue receipts of the State increased by 17.47 per cent over the previous year but fell short marginally by 0.78 per cent of the budget (revised estimate). During the current year, there was excess of revenue expenditure (₹2,79,964 crore) over revenue receipts (₹2,43,749 crore), thereby resulting into revenue deficit of ₹36,215 crore. The State had maintained its fiscal deficit over GSDP at 3.46 per cent.

1.7 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2021-22	2022-23	Per cent increase / decrease			2021-22	2022-23	Per cent increase / decrease
Consolidated Fund									
A	Internal Debt	5,02,205	5,67,635	13.03	a	Gross Outlay Capital	3,15,713	3,55,240	12.52
B	Loans and Advances from GoI	39,731*	48,258*	21.46	b	Loans and Advances	36,873	43,055	16.77
C	Contingency Fund	150	150	--	c	Contingency Fund	--	--	--
Public Account									
A	Small Savings, Provident Funds, etc.	32,033	33,884	5.78	a	Advances	8	8	--
B	Deposits	82,625	95,041	15.03	b	Remittance	14	11	(-) 21.43
C	Reserve Funds	11,288	14,020	24.20	c	Suspense and Miscellaneous	280	400	42.86
D	Suspense and Miscellaneous	--	--	--	d	Cash balance (including investment in Earmarked Fund)	72,386	81,341	12.37
						Total	4,25,274	4,80,055	12.88
						Cumulative excess of expenditure over receipts	2,42,758	2,78,933	14.90
	Total	6,68,032	7,58,988	13.62		Total	6,68,032	7,58,988	13.62

* Effective Loans and Advances would be ₹33,922 crore in 2022-23 and ₹25,395 crore in 2021-22 as the Department of Expenditure, GoI had decided that GST compensation of ₹8,095 crore and ₹6,241 crore during 2021-22 and 2020-21 respectively given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

(Source: Finance Accounts for the respective years)

During the year, the assets increased by 12.88 per cent over the previous year whereas the liabilities were increased by 13.62 per cent. The liabilities increased by 17.44 per cent in 2021-22 when compared with 2020-21.

1.8 Fiscal Indicators

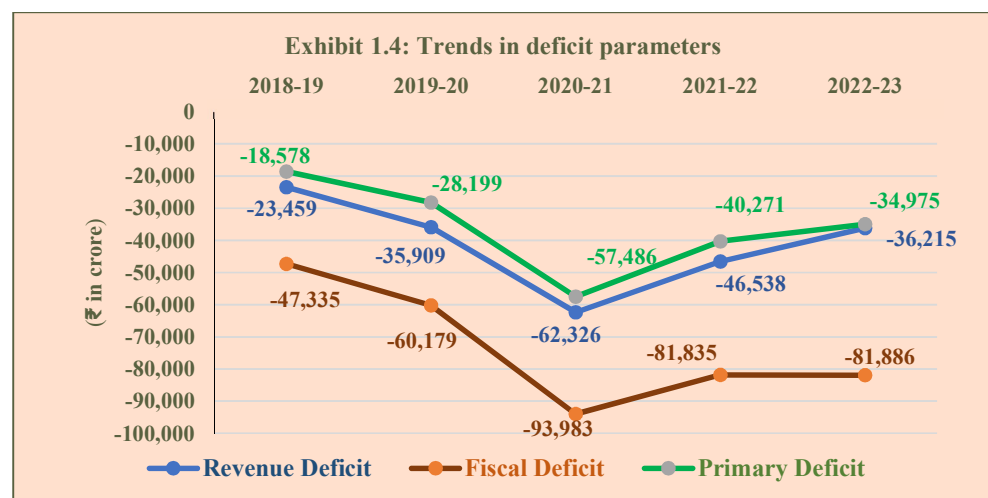
Three key fiscal parameters, viz., revenue, fiscal and primary deficits, indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure. Further, the ways in which the deficit is financed and the resources raised are applied as important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set for the financial year 2022-23 under TNFR Act, 2003. The targets fixed for each of the three key fiscal parameters are as under:

- (i) To achieve the Revenue Surplus by 2023-24
- (ii) To achieve FD-GSDP ratio at 3.50 *per cent* in 2022-23 and 3 *per cent* by 2023-24
- (iii) To achieve Debt-GSDP ratio at 29.30 *per cent*

The achievement during 2022-23 against the above targeted fiscal parameters are discussed in the following paragraphs.

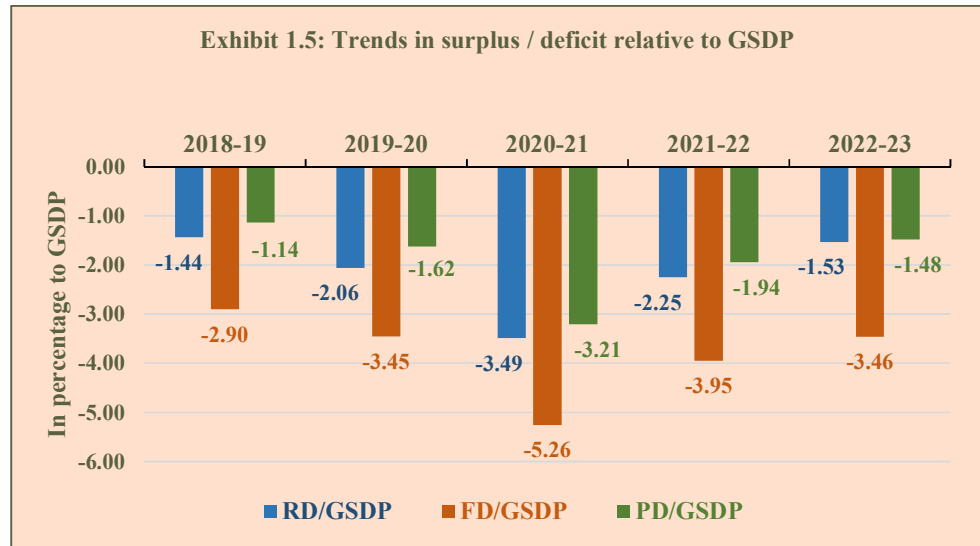
Fiscal trends

During the current year the State Government received Revenue Deficit grants amounting to ₹801 crore as part of the Finance Commission Grants to reduce and ultimately eliminate revenue deficit and to enable all borrowings to be used for capital expenditure. During the current year, the revenue and primary deficits decreased and fiscal deficit increased marginally during the year 2022-23, when compared with the previous year (**Exhibits 1.4 to 1.6**). The debt/GSDP ratio, which was on an increasing trend from 22.62 *per cent* in 2018-19 to 28.79 *per cent* in 2021-22, decreased during the current year and stood at 28.64 *per cent*. The fiscal deficit to GSDP ratio decreased from the previous year and stood at 3.46 *per cent* during the current year.

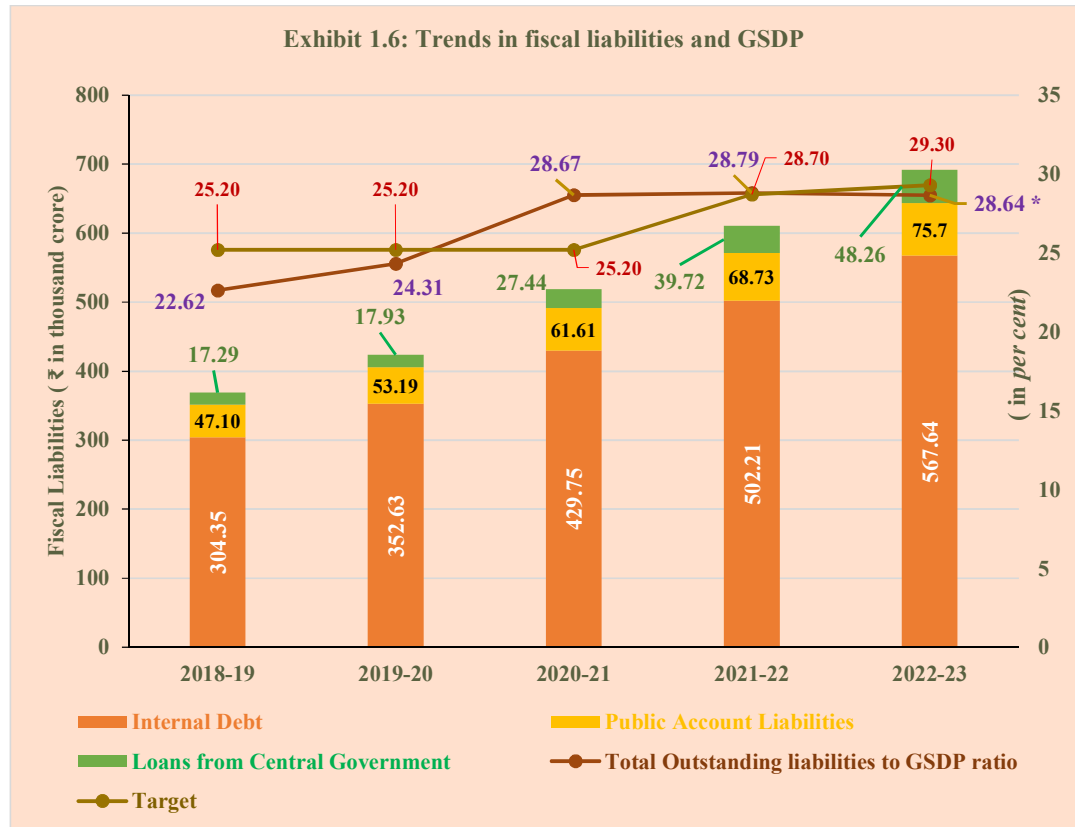


(Source: Finance Accounts for the respective years)

Note: Revenue deficit and Fiscal deficit was understated by ₹307.74 crore and ₹302 crore respectively as mentioned in **Para 1.9.1**.



(Source: Finance Accounts for the respective years)



* The back-to-back loans of ₹8,095 crore during 2021-22 and ₹6,241 crore during 2020-21 received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

(Source: Finance Accounts for the respective years)

The State Government have passed the Fiscal Responsibility and Budget Management Act (FRBM) with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and keeping

the overall/outstanding debt to acceptable levels, establishing improved debt management and improving transparency in a medium-term framework. The Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

The targeted timeline to eliminate revenue deficit and reduce fiscal deficit was extended by GoTN from time to time by amending the TNFR Act, 2003. In compliance with the provisions of TNFR Act, 2003, the State Government prepared a MTFP for the period 2022-23.

Major fiscal variables provided in the budget and as targeted in the TNFR Act, 2003 along with actuals thereof are given in **Table 1.4**.

Table 1.4: Compliance with provisions of State TNFR Act

Fiscal Parameters	Fiscal targets set in the Act/Projections in MTFP	Achievement				
		2018-19	2019-20	2020-21	2021-22	2022-23
GSDP at current prices (₹ in crore)		16,30,209	17,43,144	17,88,074	20,71,286	23,64,514
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Eliminate Revenue Deficit by 2023-24	(-) 23,459	(-) 35,909	(-) 62,326	(-) 46,538	(-) 36,215
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	3.5 % - 2022-23# Reduce fiscal deficit to three per cent by March 2024	(-) 47,335 (2.90)	(-) 60,179 (3.45)	(-) 93,983 (5.26)	(-) 81,835 (3.95)	(-) 81,886 (3.46)
Total outstanding liability (₹ in crore)		3,68,736	4,23,743	5,18,796	6,10,667	6,91,591
Ratio of total outstanding liability to GSDP (in per cent)	29.30 per cent	22.62	24.31	28.67*	28.79*	28.64*

Red colour indicates below the target and Green colour indicates as per the target

* The back-to-back loans of ₹8,095 crore during 2021-22 and ₹6,241 crore during 2020-21 received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

MTFP projection.

(Source: (i) TNFR Act; (ii) Budget Speech -2022-23 and (iii) Finance Accounts for the respective years)

It is observed that the State has improved itself in two variables viz., Revenue Deficit and Primary Deficit. Actual performance when compared to target set in MTFP is given in **Table 1.5**.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2022-23

(₹ in crore)

Sl. No	Fiscal Variables	Projection as per MTFP	Actuals (2022-23)	Variation (in per cent)
1	Own Tax Revenue	1,46,045	1,50,223	2.86
2	Non-Tax Revenue	15,553	17,061	9.70
3	Share of Central Taxes	30,406	38,731	27.38
4	Grants-in-aid from GoI	38,021	37,734	(-) 0.75
5	Revenue Receipts (1+2+3+4)	2,30,025	2,43,749	5.97
6	Revenue Expenditure	2,66,401	2,79,964	5.09
7	Revenue Deficit (-) / Surplus (+) (5-6)	(-) 36,376	(-) 36,215	(-) 0.44
8	Fiscal Deficit (-) / Surplus (+)	(-) 83,075	(-) 81,886	(-) 1.43
9	Debt-GSDP ratio (<i>per cent</i>)	29.30	28.64*	(-) 0.66
10	GSDP growth rate at current prices (<i>per cent</i>)	9.28	14.16	4.88

* The back-to-back loans (₹8,095 crore during 2021-22 and ₹6,241 crore during 2020-21) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

(Source: (i) MTFP, (ii) Finance Accounts and GSDP figures from Central Statistics Office)

It may be seen from the above table that there was a significant increase in receipts under Own tax revenue, Non-tax revenue and Share of Central Taxes than that anticipated in the MTFP projection for the year 2022-23. The revenue and fiscal deficits were below than that projected in the MTFP. As per TNFR Act, revenue deficit should be eliminated by 2023-24. Though the Revenue Deficit has been decreasing trend from 2021-22, the State may not adhere to the TNFR target of eliminating revenue deficit by 2023-24.

1.9 Deficits and Total Debt after examination in audit

This section gives an overview of the impact of the audit findings on various fiscal parameters based on the analysis of the Finance and Appropriation Accounts.

As per the TNFR Act, the State Government must ensure compliance to the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, etc. The Revenue Deficit and the Fiscal deficit as worked out for the State gets impacted due to various circumstances such as misclassification of revenue expenditure as capital expenditure and off-budget fiscal operations. Besides, deferment of clear cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to New Pension Scheme, Sinking Fund and Guarantee Redemption Fund, etc. also impacts the revenue and fiscal deficit figures. In order to arrive at actual deficit figures, the effect of misclassification of revenue expenditure/ capital outlay and / or any such misclassification needs to be included and the impact of such irregularities needs to be reversed.

1.9.1 Post audit Analysis

Scrutiny of transactions during the year revealed that, revenue deficit and fiscal deficit were affected by certain accounting adjustments as detailed in **Table 1.6**.

Table 1.6: Under/Over statement of Revenue and Fiscal Deficit

Particulars	Impact on Revenue Deficit (Understated (+) / overstated (-)) (₹ in crore)	Impact on Fiscal Deficit (Understated (+) / overstated (-)) (₹ in crore)
Incorrect adjustment of recoveries of capital expenditure under Revenue Section	(+) 5.74	--
Interest on interest bearing Reserve Funds and Deposits not credited (State Compensatory Afforestation Fund)	(+) 3.80	(+) 3.80
Non-transfer of central grant under Central Road and Infrastructure Fund (CRIF)	(+) 298.20	(+) 298.20
Total	(+) 307.74	(+) 302.00

(Source: Finance Accounts)

The fiscal deficit of the State during the year would increase from ₹81,886 crore (Refer **Para 1.8**) to ₹82,188 crore, if interest on interest bearing Reserve Funds and Deposits and non-transfer of central grant under (CRIF) were made as mentioned in **Table 1.6**. It is pertinent to mention here that if the impact as mentioned above is considered, the effective Revenue Deficit would stand at ₹36,552.74 crore and that the FD-GSDP ratio would stand at 3.48 *per cent*.

1.9.2 Trends in fiscal liabilities

Analysis of the total outstanding debts / liabilities of the State Government in terms of (i) debt as a percentage of GSDP and (ii) rate of growth of outstanding Government debts are detailed in **Table 1.7**.

Table 1.7: Total outstanding debts / liabilities

	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Total outstanding debts/ liabilities	3,68,736	4,23,743	5,18,796	6,10,667	6,91,591
Rate of growth of outstanding liabilities (<i>in per cent</i>)	12.93	14.92	22.43	17.71	13.25
Ratio of total outstanding liabilities to GSDP (<i>in per cent</i>)	22.62	24.31	28.67*	28.79*	28.64*

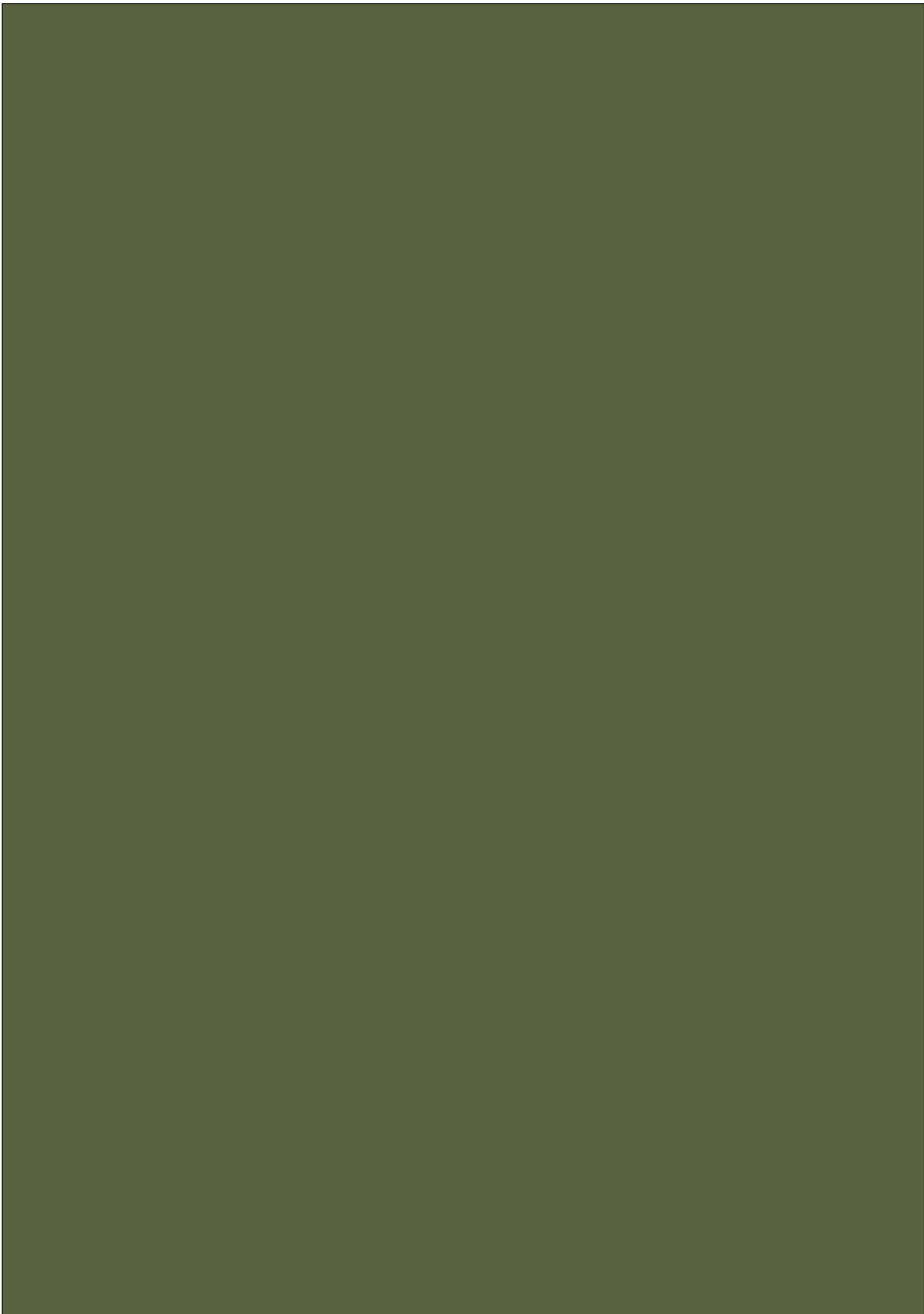
* The back-to-back loan of ₹8,095.25 crore received during 2021-22 and ₹6,241 crore received during 2020-21 from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

(Source: Finance Accounts for the respective years)

The outstanding debt grew by 13.25 *per cent* over previous year. Considering the growth rate of capital expenditure by 6.81 *per cent* (as compared to 11.92 *per cent* during the previous year) during the year and the high fiscal deficit, it is indicative that the borrowing during the year was utilised for financing the revenue expenditure. To the extent of reduced capital formation, debt acts as 'burden' on future generations.

The debt/GSDP ratio (28.64 *per cent*) was within the target of 29.30 *per cent* as per MTFP and if outstanding Off-Budget borrowing of ₹ 2,298.54 crore (Refer **Para 2.6.1.1 of Chapter-II** and **Para 4.1 of Chapter-IV**) is included to the total outstanding liabilities, the ratio of total outstanding debt to GSDP would increase to 28.73 *per cent*.

CHAPTER II
FINANCES OF THE
STATE



CHAPTER II

FINANCES OF THE STATE

This chapter provides a broad perspective of the finances of the Government of Tamil Nadu (GoTN) during the current year (2022-23) and analyses critical changes in the major fiscal aggregates relative to the previous year (2021-22), keeping in view the overall trend during the last five years.

2.1 Summary of fiscal transactions in 2022-23 *vis-à-vis* 2021-22

Table 2.1 presents the summary of the State Government's fiscal transactions during the current year (2022-23) *vis-à-vis* the previous year (2021-22) and **Appendix 2.1** depicts the trends of fiscal indicators over the period 2018-2023.

Table 2.1: Summary of fiscal operations in 2022-23 *vis-à-vis* 2021-22

(₹ in crore)					
Receipts	2021-22	2022-23	Disbursements	2021-22	2022-23
Section-A: Revenue					
Revenue receipts	2,07,492.40	2,43,749.34	Revenue expenditure	2,54,030.42	2,79,964.48
State's Own Tax revenue	1,22,866.29	1,50,222.75	General Services	84,893.54	99,096.70
Non-tax revenue	12,116.52	17,060.95	Social Services	88,749.10	88,967.59
Share of Union Taxes/Duties	37,458.62	38,731.24	Economic Services	60,898.32	71,974.59
Grants from Government of India	35,050.97	37,734.40	Grants-in-aid and Contributions	19,489.46	19,925.60
Section-B: Capital and Others					
Miscellaneous Capital Receipts	0.01	41.97	Capital Expenditure	37,010.78	39,529.91
			General Services	780.21	1,040.98
			Social Services	14,984.96	14,323.77
			Economic Services	21,245.61	24,165.16
Recoveries of Loans and Advances	5,354.77	1,078.10	Loans and Advances disbursed	3,640.52	7,260.82
Public Debt receipts	1,04,484.99	1,01,061.71	Repayment of Public Debt	19,737.24	27,104.39
Contingency Fund	--	--	Contingency Fund	--	--
Public Account receipts	3,98,156.68	4,79,342.00	Public Account disbursements	3,83,756.59	4,62,458.90
Opening Cash Balance	55,072.80	72,386.10	Closing Cash Balance	72,386.10	81,340.72
Total	7,70,561.65	8,97,659.22	Total	7,70,561.65	8,97,659.22

(Source: Finance Accounts for the respective years)

Table 2.2: Major Changes in key fiscal aggregates in 2022-23 compared to 2021-22

Revenue Receipts	<ul style="list-style-type: none"> ✓ Revenue receipts of the State increased by 17.47 <i>per cent</i> ✓ Own Tax receipts of the State increased by 22.27 <i>per cent</i> ✓ Non-tax receipts increased by 40.81 <i>per cent</i> ✓ State's Share of Union Taxes and Duties increased by 3.40 <i>per cent</i> ✓ Grants-in-Aid from Government of India increased by 7.66 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue expenditure increased by 10.21 <i>per cent</i> ✓ Revenue expenditure on General Services increased by 16.73 <i>per cent</i> ✓ Revenue expenditure on Social Services increased by 0.25 <i>per cent</i> ✓ Revenue expenditure on Economic Services increased by 18.19 <i>per cent</i> ✓ Expenditure on Grants-in-Aid increased by 2.24 <i>per cent</i>
Capital Receipts	<ul style="list-style-type: none"> ✓ Debt capital receipts decreased by 3.28 <i>per cent</i> ✓ Though there was an increase in the miscellaneous capital receipts by ₹41.97 crore, the non-debt capital receipts as a whole decreased by 79.08 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none"> ✓ Capital expenditure increased by 6.81 <i>per cent</i> ✓ Capital expenditure on General Services increased by 33.42 <i>per cent</i> ✓ Capital expenditure on Social Services decreased by 4.41 <i>per cent</i> ✓ Capital expenditure on Economic Services increased by 13.74 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances increased by 99.44 <i>per cent</i> ✓ Recoveries of Loans and Advances decreased by 79.87 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts decreased by 3.28 <i>per cent</i> ✓ Repayment of Public Debt increased by 37.33 <i>per cent</i>
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 20.39 <i>per cent</i> ✓ Public Account Disbursements increased by 20.51 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance increased by ₹8,954.62 crore (12.37 <i>per cent</i>) during 2022-23 compared to previous year

The significant changes that occurred during 2022-23, as compared to the previous year are enumerated in the succeeding sub paragraphs.

- **Revenue receipts** of the State increased by 17.47 *per cent* (₹36,257 crore) over the previous year. Revenue receipts included an amount of ₹16,215 crore towards compensation for losses on roll out of GST.
- **Revenue expenditure** increased by ₹25,934 crore (10.21 *per cent*) over the previous year mainly due to increased payments towards 'Pension and other retirement benefits' (₹5,928 crore), expenditure towards general education (₹5,856 crore) and increased interest payment on market loans (₹4,363 crore).
- **Capital expenditure** increased by 6.81 *per cent* (₹2,519 crore) during 2022-23 over the previous year, as compared to the growth rate of 11.92 *per cent* in 2021-22 over 2020-21. Major increases were under

Road Transport (₹1,212.12 crore) and Roads and Bridges (₹1,028.63 crore), while there had been a substantial decline in the growth rate in medical and public health (48 per cent), Civil Aviation (65 per cent), water supply and sanitation (18 per cent), etc.

- **Public Debt Receipts i.e., borrowings** decreased by ₹3,423 crore (3.28 per cent) over the previous year.
- **Recoveries of loans and advances** during the year substantially decreased by ₹4,277 crore (79.87 per cent) mainly due to the completion of recoveries by way of conversion of TANGEDCO's loan as grants-in-aid under UDAY scheme through book adjustments.
- **Loans and advances** disbursed during the year increased by ₹3,620 crore (99.44 per cent) over the previous year mainly due to loans to the tune of (₹4,542 crore) being extended to Public Sector and other undertaking under 'Other Development Schemes' under Urban Development during the year.
- **Public Account receipts and disbursements** increased by ₹81,185 crore (20.39 per cent) and by ₹78,702 crore (20.51 per cent) respectively. Net of receipts and disbursements under Public Account increased the net receipts by ₹2,483 crore over the previous year.
- Though the net impact of these transactions led to an increase of ₹8,955 crore in the cash balance at the end of the year over the previous year, the cash balance increased only by 12.37 per cent against an increase of 31.44 per cent during 2021-22.

2.2 Sources and Application of Funds

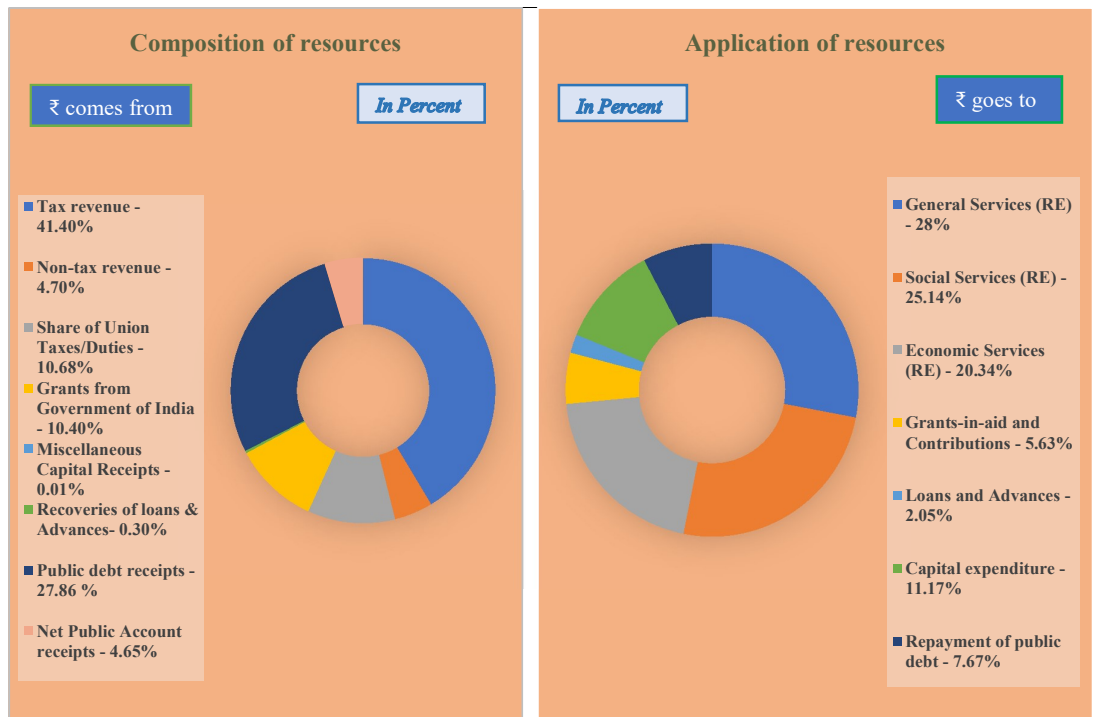
Table 2.3: Details of Sources and Application of funds during 2021-22 and 2022-23
(₹ in crore)

	Particulars	2021-22	2022-23	Increase/ Decrease
Sources	Opening Cash Balance with RBI	55,073	72,386	17,313
	Revenue Receipts	2,07,492	2,43,749	36,257
	Recoveries of Loans and Advances	5,355	1,078	(-) 4,277
	Miscellaneous Capital Receipts	--	42	42
	Public Debt Receipts (Net)	84,748	73,958	(-) 10,790
	Public Account Receipts (Net)	14,400	16,883	2,483
	Total	3,67,068	4,08,096	41,028
Application	Revenue Expenditure	2,54,030	2,79,964	25,934
	Capital Expenditure	37,011	39,530	2,519
	Disbursement of Loans and Advances	3,641	7,261	3,620
	Closing Cash Balance with RBI	72,386	81,341	8,955
	Total	3,67,068	4,08,096	41,028

(Source: Finance Accounts for the respective years)

¹ Tamil Nadu Generation and Distribution Corporation.

Exhibit 2.1: Composition and Application of resources



RE – Revenue Expenditure.
(Source: Finance Accounts)

2.3 Resources of the State

The resources of the State are described below:

1. **Revenue receipts** consist of tax revenue (Own Tax revenue plus share of Union Taxes / Duties), non-tax revenue and grants from Government of India (GoI).
2. **Capital receipts** (debt and non-debt capital receipts) comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

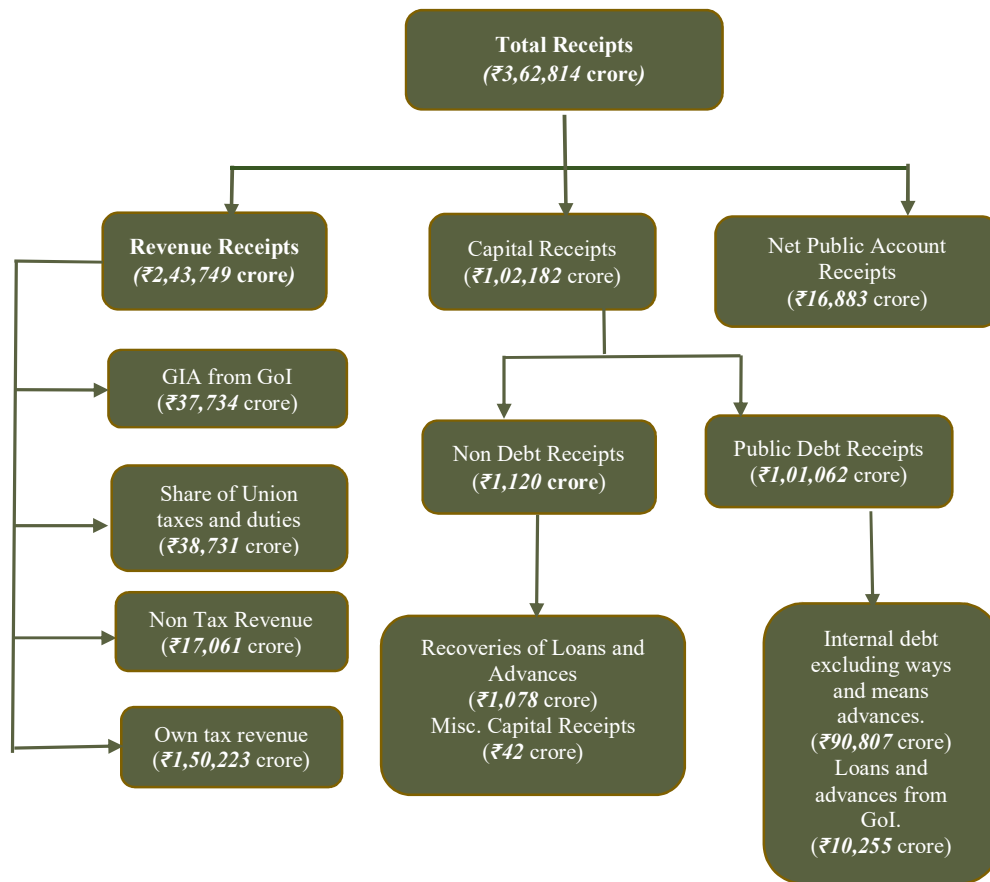
3. **Net Public Accounts receipts:** These are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Besides, the fund available in the Public Account (net of disbursement made from it) is also utilised by the Government to finance its deficit.

Composition of receipts of the State during 2022-23



The total resources of the State Government in 2022-23 were ₹3,62,814 crore. Of these, revenue receipts were ₹2,43,749 crore, which constituted 67.18 *per cent* of total resources. Capital receipts (₹1,02,182 crore) and net Public Account receipts (₹16,883 crore) constituted 28.16 *per cent* and 4.65 *per cent* of the total resources respectively.

2.3.2 State's Revenue Receipts

Statement-14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own taxes and non-tax revenues, central tax transfers and grants-in-aid from GoI.

2.3.2.1 Trends and growth of Revenue Receipts

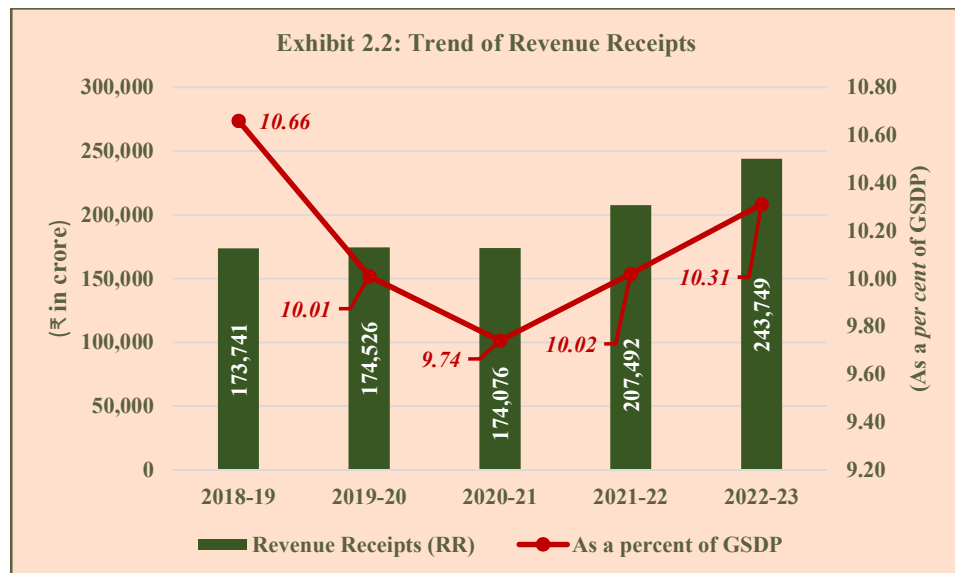
The composition of revenue receipts, its trends and growth with respect to GSDP over the five-year period are depicted in the **Table 2.4** below.

Table 2.4: Trend in Revenue Receipts

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Receipts (RR) (₹ in crore)	1,73,741	1,74,526	1,74,076	2,07,492	2,43,749
Rate of growth of RR (<i>per cent</i>)	18.77	0.45	(-) 0.26	19.20	17.47
Own Tax Revenue (₹ in crore)	1,05,534	1,07,462	1,06,153	1,22,866	1,50,223
State's share of Union taxes and duties (₹ in crore)	30,639	26,393	24,924	37,458	38,731
Non-Tax Revenue (₹ in crore)	14,200	12,888	10,422	12,117	17,061
Grants-in-aid from GoI (₹ in crore)	23,368	27,783	32,576	35,051	37,734
Own Revenue (Own tax and Non tax revenue) (₹ in crore)	1,19,734	1,20,350	1,16,575	1,34,983	1,67,284
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	14.58	0.51	(-) 3.14	15.79	23.93
Gross State Domestic Product (₹ in crore) (2011-12 series)	16,30,209	17,43,144	17,88,074	20,71,286	23,64,514
Rate of growth of GSDP (<i>per cent</i>)	11.27	6.93	2.58	15.84	14.16
RR/GSDP (<i>per cent</i>)	10.66	10.01	9.74	10.02	10.31

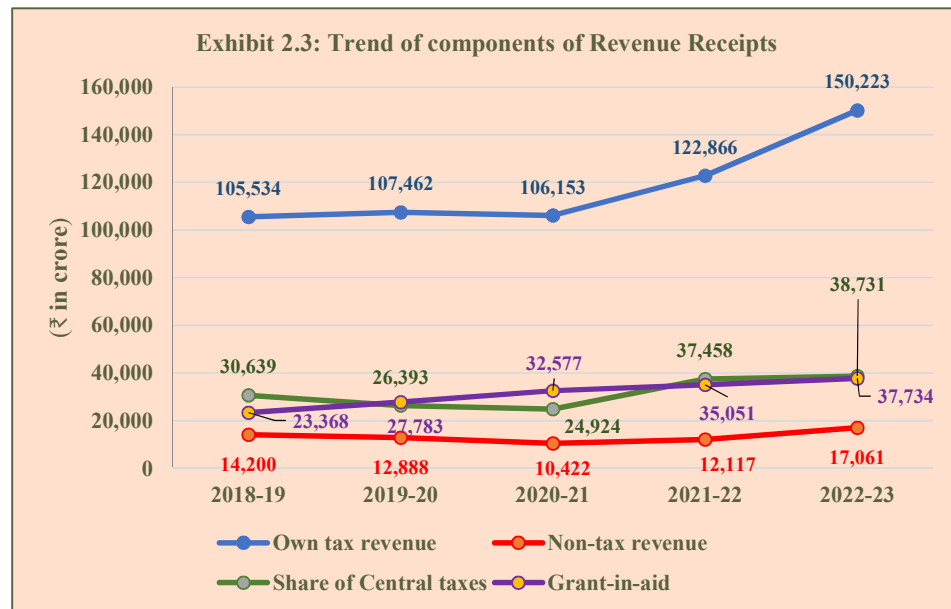
(Source of GSDP at current prices: Ministry of Statistics and Programme Implementation)

- The annual growth rate of revenue receipts during 2022-23 was 17.47 *per cent* (₹36,257 crore) as against a growth rate of 19.20 *per cent* during the previous year.



(Source: Finance Accounts for the respective years)

The trend in components of revenue receipts is given below in **Exhibit 2.3**.



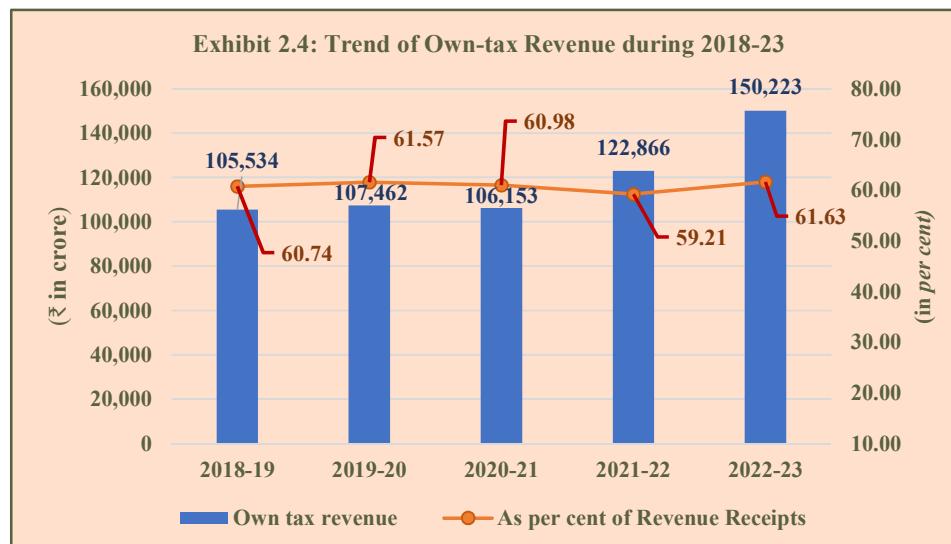
(Source: Finance Accounts for the respective years)

2.3.2.2 State's Own Resources

State's own resources comprises of revenue from its own tax and non-tax sources, the details of which are discussed in the following paragraphs.

Own Tax revenue

Own tax revenues of the State consist of State GST, State excise, taxes on vehicles, Stamp duty and Registration fees, Land revenue, taxes on goods and passengers, etc. The growth of own tax revenue is given in **Exhibit 2.4**.



(Source: Finance Accounts for the respective years)

Components of State's own tax revenue

The revenue in respect of major taxes and duties are given in **Table 2.5**.

Table 2.5: Components of State's own tax revenue

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Sparkline
State Goods and Service Tax	38533	38,376	37,942	45,277	53,823	
Taxes on Sales, Trade, etc.	42,701	44,515	43,489	48,668	59,143	
State Excise	6,863	7,206	7,822	8,237	10,423	
Taxes on Vehicles	5,573	5,675	4,561	5,627	7,513	
Stamps and Registration Fees	11,066	10,856	11,675	14,331	17,560	
Land Revenue	178	258	211	205	248	
Taxes on Goods and Passengers	3	11	2	12	5	
Other Taxes	617	565	451	509	1,508	
Total	1,05,534	1,07,462	1,06,153	1,22,866	1,50,223	
(Growth rate over previous year in per cent)	(12.59)	(1.83)	((-) 1.22)	(15.74)	(22.27)	

(Source: Finance Accounts for the respective years)

- The annual growth rate of own tax revenue during 2022-23 increased considerably to 22.27 per cent as against a growth rate of 15.74 per cent during the previous year.
- There were significant increases under State Goods and Service Tax (18.87 per cent), Taxes on Sales, Trade, etc. (21.52 per cent), State Excise (26.54 per cent), Taxes on Vehicles (33.52 per cent) and Stamps and Registration Fees (22.53 per cent).
- Against the budgeted estimate (revised) of ₹55,390 crore, SGST collection was ₹53,823 crore (2.83 per cent decrease).

Non-tax revenue

Non-tax revenue consists of interest receipts, dividend and profits, mining and other departmental receipts etc. Details are given in **Table 2.6** below:

Table 2.6: Components of State's non-tax revenue

(₹ in crore)

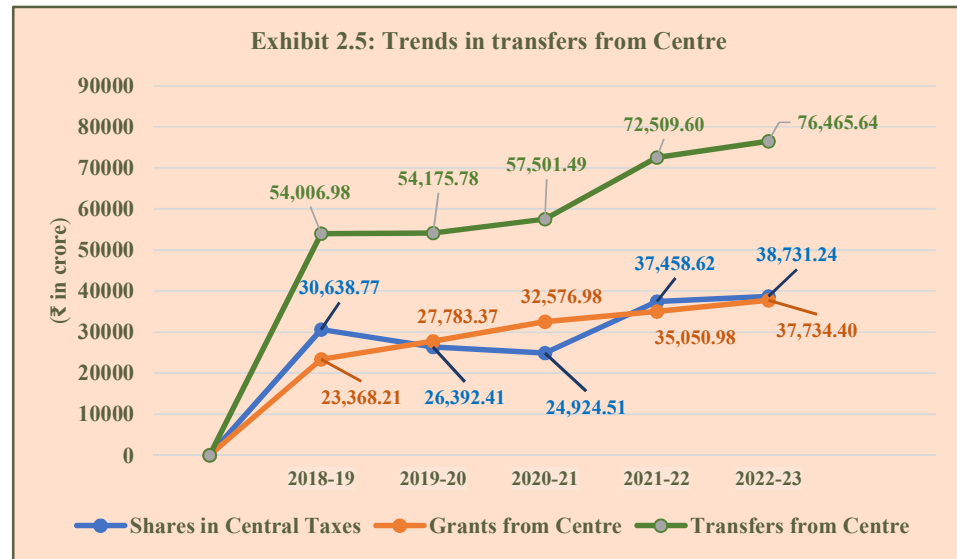
Components of State's Non-tax revenue						
Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Sparkline
Interest receipts	6,875	4,356	3,524	3,918	4,747	
Dividends and Profits	156	192	205	272	301	
Other non-tax receipts	7,169	8,340	6,693	7,927	12,013	
a) Major and Medium Irrigation	45	48	60	66	71	
b) Roads and Bridges	143	83	181	118	231	
c) Urban Development	1,016	781	829	743	1,092	
d) Education	1,592	1,793	1,650	1,065	2,206	
e) Non-Ferrous Mining	1,057	1,150	765	1,005	1,200	
f) Others	3,316	4,485	3,208	4,930	7,213	
Total	14,200	12,888	10,422	12,117	17,061	
Percentage of non-tax revenue to State's own resources	11.86	10.71	8.94	8.98	10.20	

(Source: Finance Accounts for the respective years)

- The non-tax revenue of the State increased by ₹4,944 crore (40.80 per cent) in 2022-23 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 8.98 per cent in 2021-22 increased to 10.20 per cent in 2022-23.

2.3.2.3 Transfers from the Centre

The trend of transfers from Centre for a period of five years (2018-2023) is given in **Exhibit 2.5** below:



(Source: Finance Accounts for the respective years)

The Central tax transfers increased by ₹1,273 crore (3.40 per cent) during the current year and the grants from Centre had increased by 7.66 per cent over the previous year.

The details of State's share of Union taxes and duties, components of central tax transfers and grants-in-aid from GoI are given in **Tables 2.7 to 2.9**.

Table 2.7: State's share in Union taxes and duties - Actual devolution vis-à-vis FC projections (₹ in crore)

Year	Finance Commission Projections	Projections in FCR*	Actual tax devolution	Difference
1	2	3	4	5 (4-3)
2015-16	4.023 per cent of net proceeds of all shareable taxes excluding service tax and 4.104 per cent of net proceeds of shareable service tax (As per recommendations of XIV FC)	23,389	20,354	(-) 3,035
2016-17		26,992	24,538	(-) 2,454
2017-18		31,189	27,100	(-) 4,089
2018-19		36,084	30,639	(-) 5,445
2019-20		41,796	26,393	(-) 15,403
2015-20		1,59,450	1,29,024	(-) 30,426
2020-21	4.189 per cent of net proceeds of all shareable taxes (As per recommendations of XV FC)	39,848	24,925	(-) 14,923
2021-22	4.079 per cent of net proceeds of all shareable taxes	26,864	37,458	10,594
2022-23	4.079 per cent of net proceeds of all shareable taxes	29,884	38,731	8,847

* Finance Commission Recommendations

(Source: Details furnished by the Finance Department)

Share of union taxes and duties**Table 2.8: Components of Central Tax Transfers**

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23
Central Goods and Services Tax (CGST)	7,561.77	7,489.35	7,406.64	10,308.10	10,945.36
Integrated Goods and Services Tax (IGST)	603.50	--	--	--	--
Corporation Tax	10,654.53	8,998.76	7,520.26	10,912.73	12,982.89
Taxes on Income other than Corporation Tax	7,846.62	7,051.14	7,709.82	10,911.33	12,678.31
Customs	2,171.71	1,672.92	1,324.08	2,920.27	1,522.68
Union Excise Duties	1,443.22	1,163.13	837.75	1,753.77	477.69
Service Tax	282.27	0.00	108.04	609.98	60.56
Other Taxes *	75.15	17.11	17.92	42.44	63.75
Total Central Tax transfers	30,638.77	26,392.41	24,924.51	37,458.62	38,731.24
Percentage of increase over previous year	13.06	(-) 13.86	(-) 5.56	50.29	3.40
Revenue Receipts	1,73,741	1,74,526	1,74,076	2,07,492	2,43,749
Percentage of Central tax transfers to Revenue Receipts	17.63	15.12	14.32	18.05	15.89

* Includes Taxes on wealth, other taxes on Income and Expenditure and Other taxes and duties on commodities and services

(Source: Finance Accounts for the respective years)

- The actual devolution of State's share of Union taxes and duties was greater than the projections made by the Fifteenth Finance Commission (XV FC) during 2022-23.

Grants-in-aid from Government of India**Table 2.9: Grants-in-aid from GoI**

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23
Grants for Centrally Sponsored Schemes (CSS)	14,820.26	12,463.85	12,483.68	17,250.57	15,269.61
Finance Commission Grants	3,705.46	5,905.69	8,643.46	9,550.41	5,791.68#
Other transfers/Grants to States/Union Territories with Legislature	4,843.73	9,485.73	11,449.84	8,250.00	16,673.11 ^s
Total	23,368.21*	27,783.37*	32,576.98	35,050.98	37,734.40
Percentage of increase over the previous year	59.19	18.89	17.25	7.59	7.66
Percentage of GIA to Revenue Receipts	13.45	15.92	18.71	16.89	15.48

^s Includes an amount of ₹16,215 crore being compensation for loss of revenue due to implementation of GST

#includes revenue deficit grant of ₹801 crore in 2022-23 and the balance ₹4,990.68 crore pertained to Grants to Rural and Urban Local Bodies and SDRF and SDMF grants.

* Includes Refund of (-) ₹1.24 crore in 2018-19 and (-) ₹71.90 crore in 2019-20

(Source: Finance Accounts for the respective years)

- The grants-in-aid increased by ₹2,683 crore (7.66 per cent) over the previous year.
- Percentage of grants-in-aid to revenue receipts, which was 16.89 in 2021-22, decreased to 15.48 in 2022-23 mainly due to nil receipt under 'Contributions to NDRF' as against an amount of ₹566 crore received during the previous year.

Single Nodal Agency (SNA)

The Government of India, Ministry of Finance, Department of Expenditure provided that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The SNA will open Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct business by the State Government. Further, as per the new procedure, it is the responsibility of the State Government concerned to ensure that the entire unspent amount is returned by all the Implementing Agencies (IAs) to the Single Nodal Account of the Single Nodal Agency.

GoI had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through Single Nodal Agency (SNA). As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

In accordance with the directions of Ministry of Finance, Government of India, funds received by the State Government under Centrally Sponsored Schemes (CSS) are restricted for use by the State Government and was required to be transferred to concerned SNA's account within a period of 21 days of its receipt. Corresponding State share should be released not later than 40 days of release of the central share.

As per the SNA Report (2022-23) of PFMS Portal, the State Government received ₹14,137.90 crore being SNA's Central Share of CSS Schemes during the year. In compliance with GoI's directions, as on 31 March 2023, the State Government had transferred ₹13,629.21 crore being Central Share and corresponding State share of ₹11,311.31 crore to the SNA accounts. The details of the vouchers with respect to expenditure are not available in the AG (A&E) office. As of 31 March 2023, the amount of unspent amounts lying in the SNA Accounts was ₹11,453.81 crore.

Nine schemes² were test checked by Audit to analyse any delay in release of GoI share and State Government share to SNA. It was noticed that there was delay of 10 to 20 days beyond 21 days in release of GoI share to SNA in two schemes and 1 to 20 days beyond 40 days in release of State Government share in two schemes as detailed in the **Appendix 2.2**.

Fifteenth Finance Commission Grants

Transfers from GoI to the State during 2022-23 on the recommendations of XV FC are given in **Table 2.10**

² (i) PMAY (ii) PMGSY (iii) SRLM (iv) SPMRM (v) Tamil Nadu National Mission on Edible oil (vi) Project Tiger (vii) AMRUT (viii) MGNRGE and (ix) Jal Jeevan Mission.

Table 2.10: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Transfers	Recommendation of the XV FC 2022-23	Actual Release by GoI	Short fall
		2022-23	2022-23
(i) Grants to PRIs	2,761.00	2,761.00	Nil
(ii) Grants to ULBs	1,360.00	1,360.00*	Nil
Total for Local Bodies	4,121.00	4,121.00	Nil
State Disaster Response Fund	856.80	856.80	Nil
State Disaster Mitigation Fund	214.20	107.10	107.10
Grand Total	5,192.00	5,084.90	107.10

* ₹ 313 crore received during 2023-24

(Source: Details as furnished by the State Finance Department)

The actual release by the GoI to the State Disaster Mitigation Fund during 2022-23 was ₹311.10 crore. Out of which ₹204 crore related to 2021-22 and ₹107.10 crore pertained to 2022-23, as detailed in **Para 2.5.2.3**.

2.3.3 Capital receipts

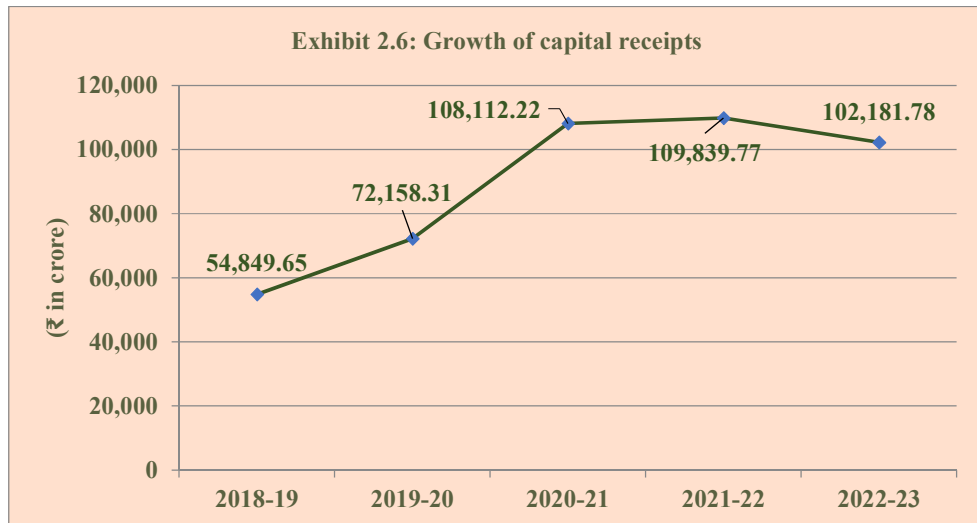
Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Table 2.11: Trends in growth and composition of capital receipts

Sources of State's Receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital Receipts (₹ in crore)	54,849.65	72,158.31	1,08,112.22	1,09,839.77	1,02,181.78
Miscellaneous Capital Receipts (₹ in crore)	--	--	--	0.01	41.97
Recovery of Loans and Advances (₹ in crore)	6,913.43	5,384.01	5,245.25	5,354.77	1,078.10
Public Debt Receipts (₹ in crore)	47,936.22	66,774.30	1,02,866.97	1,04,484.99	1,01,061.71
Internal Debt (₹ in crore)	45,596.47	64,784.61	91,997.03	90,842.61	90,806.43
Rate of growth of internal debt (per cent)	6.12	42.08	42.00	(-) 1.25	(-) 0.04
Loans and Advances from GoI (₹ in crore)	2,339.75	1,989.69	10,869.94*	#13,642.38	10,255.28
Rate of growth of Loans and Advances (per cent)	(-) 15.00	(-) 14.96	446.31	25.51	(-) 24.83
Rate of growth of debt Capital Receipts (per cent)	4.84	39.30	54.05	1.57	(-) 3.28
Rate of growth of non-debt Capital Receipts (per cent)	(-) 18.42	(-) 22.12	(-) 2.58	2.09	(-) 79.08
Rate of growth of GSDP (per cent)	11.27	6.93	2.58	15.84	14.16
Rate of growth of Capital Receipts (per cent)	1.21	31.56	49.83	1.60	(-) 6.97

* includes ₹6,241 crore as back to back loan #includes ₹8,095 crore as back to back loan, in lieu of GST compensation which are not to be repaid by the State

(Source: Finance Accounts for the respective years)



(Source: Finance Accounts for the respective years)

- Public Debt receipts decreased from ₹1,04,485 crore during 2021-22 to ₹1,01,062 crore in 2022-23.

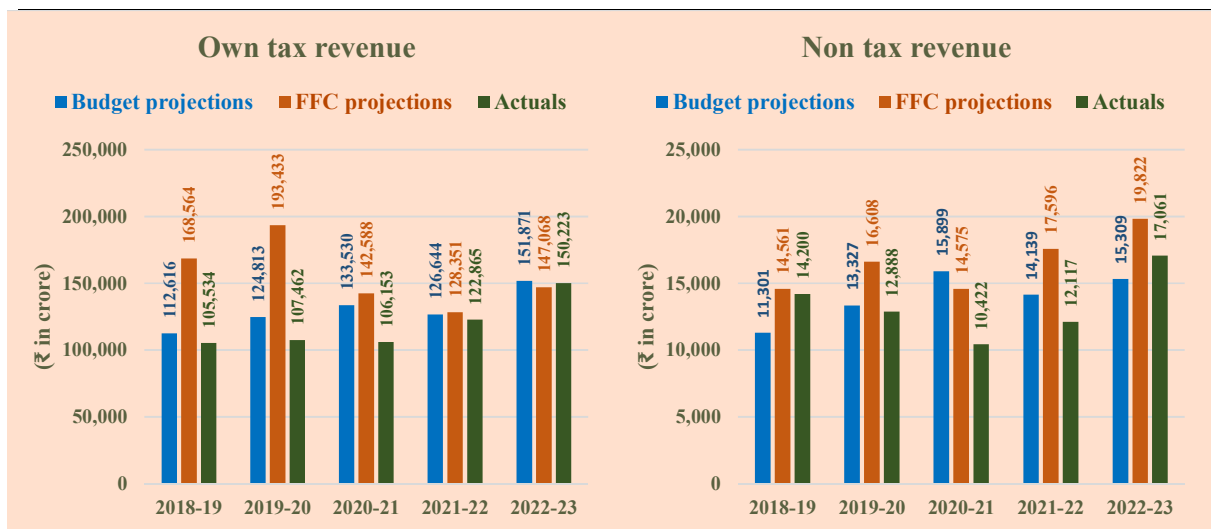
2.3.4 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax sources.

Tax and non-tax receipts *vis-à-vis* projections

The State's own tax and non-tax revenue receipts for the period 2018-23 *vis-à-vis* assessment made by the Central Finance Commissions and Budget are given in **Exhibit 2.7**.

Exhibit 2.7: Tax and non-tax receipts *vis-à-vis* projections



(Source: FC recommendations and Budget Speeches of respective years)

During the year, State's own tax revenue receipts fell short of the budget projections but exceeded the target fixed under XV FC while non-tax revenue

receipts fell short of the target fixed under XV FC but exceeded the Budget projections.

2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This section gives the analysis of allocation of expenditure in the State.

2.4.1 Growth and composition of expenditure

The details of total expenditure, its composition, relative share of various sectors, trends, etc. are given below in **Tables 2.12, 2.13** and **Exhibits 2.8 to 2.10**.

Table 2.12: Total expenditure and its composition

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	2,27,989.47	2,40,088.56	2,73,304.66	2,94,681.72	3,26,755.21
Revenue Expenditure (RE)	1,97,200.60	2,10,434.73	2,36,402.18	2,54,030.42	2,79,964.48
Capital Expenditure	24,310.84	25,631.58	33,067.65	37,010.78	39,529.91
Loans & Advances	6,478.03	4,022.25	3,834.83	3,640.52	7,260.82
As a percentage of GSDP					
TE/GSDP	13.99	13.77	15.28	14.23	13.82
RE/GSDP	12.10	12.07	13.22	12.26	11.84
Capital expenditure/GSDP	1.49	1.47	1.85	1.79	1.67
Loans and Advances/GSDP	0.40	0.23	0.21	0.18	0.31

(Source: Finance Accounts for the respective years)

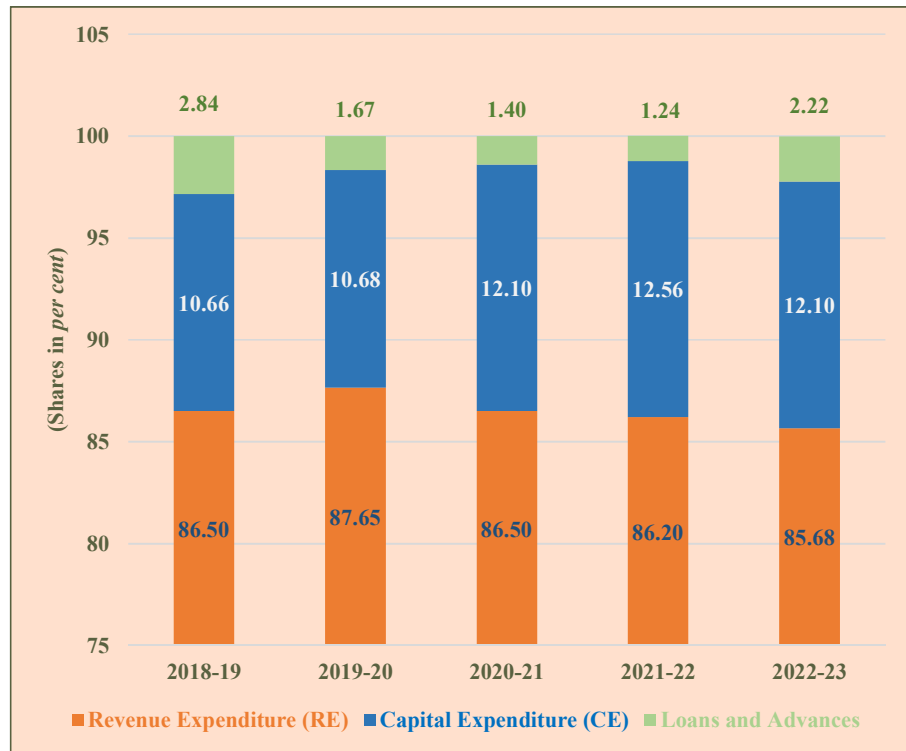
Table 2.13: Relative share of various sectors of expenditure

(in per cent)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
General Services *	32.15	32.99	29.25	29.07	30.65
Social Services *	33.86	33.26	36.82	35.20	31.61
Economic Services *	24.62	25.54	26.75	27.88	29.42
Others (Grants to Local Bodies and Loans and Advances)	9.37	8.21	7.18	7.85	8.32

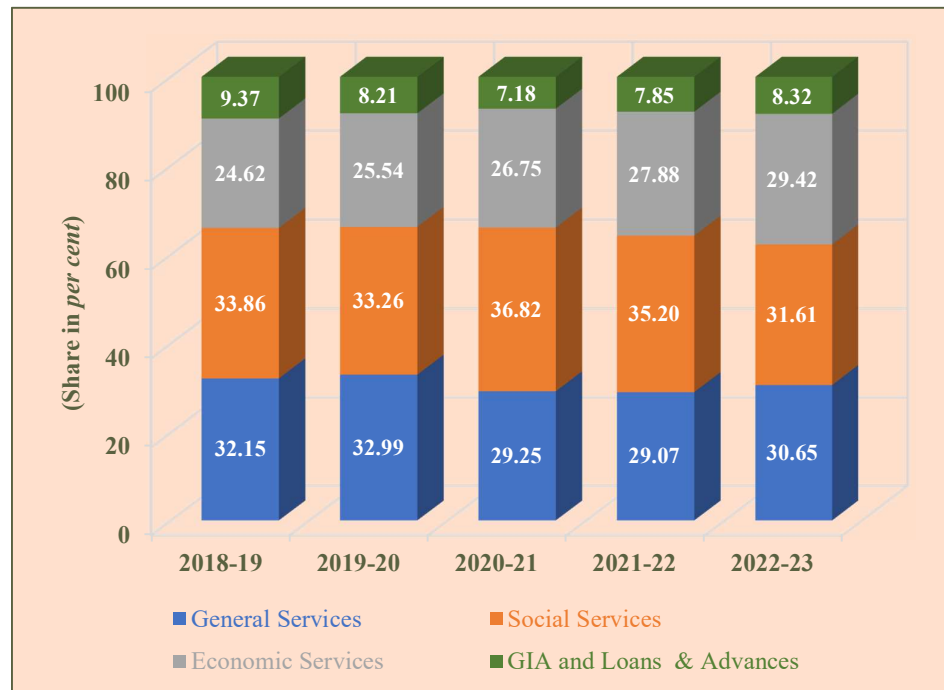
(* Sum of revenue and capital expenditure under these services)

Exhibit 2.8: Total Expenditure: Trends in share of its components



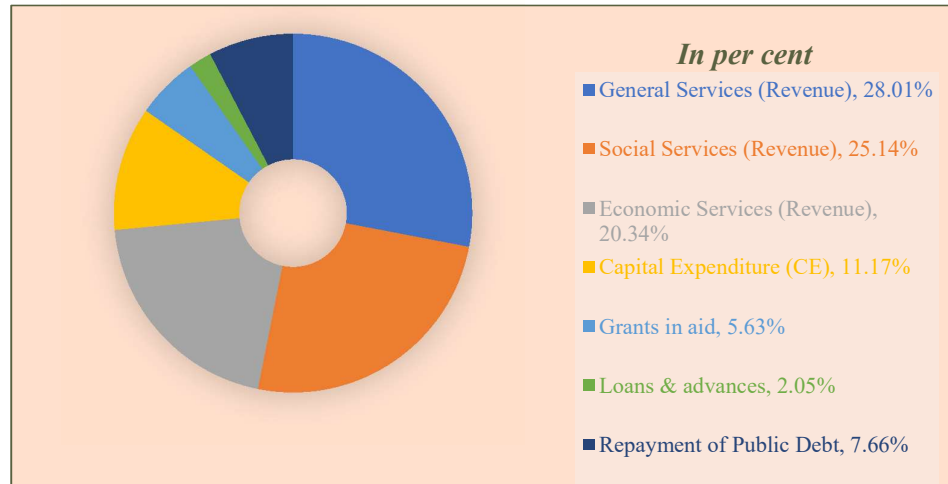
(Source: Finance Accounts for the respective years)

Exhibit 2.9: Total expenditure - Expenditure by activities



(Source: Finance Accounts for the respective years)

Exhibit 2.10: Composition of expenditure



(Source: Finance Accounts '2022-23)

- Of the total expenditure of ₹3,26,755 crore during 2022-23, Revenue Expenditure (₹2,79,964 crore), Capital Expenditure (₹39,530 crore) and Loans and Advances (₹7,261 crore) accounted for 85.68 per cent, 12.10 per cent and 2.22 per cent respectively.

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network.

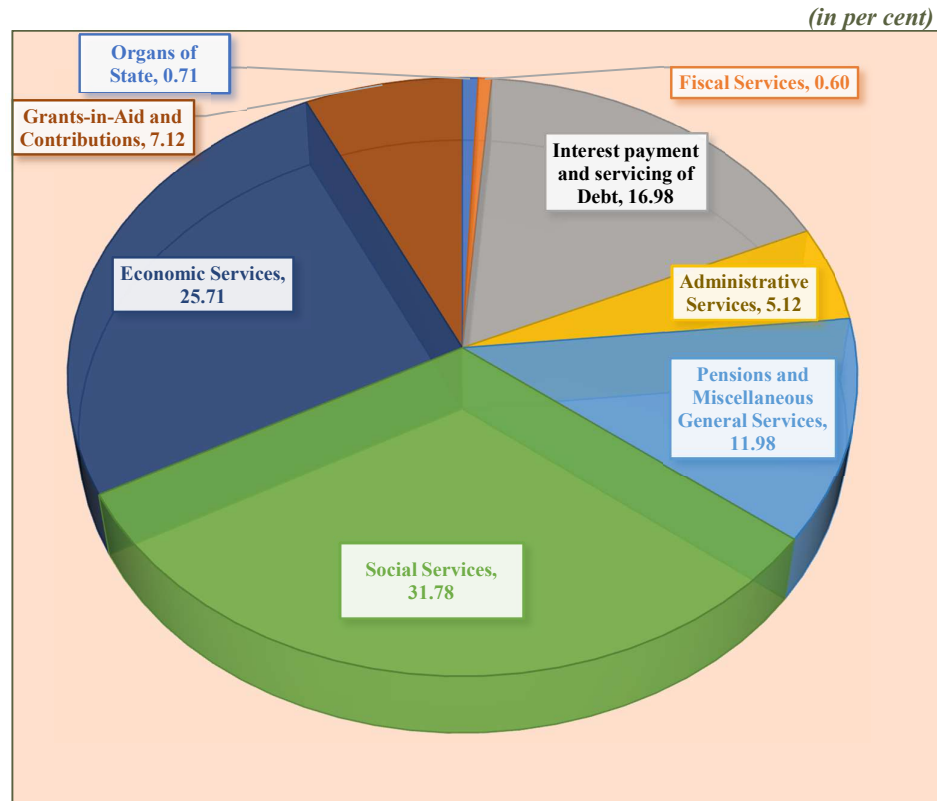
Revenue Expenditure formed on an average 86.51 per cent (ranging from 86.50 per cent in 2018-19 to 85.68 per cent in 2022-23) of the total expenditure during the period 2018-23. Rate of growth of Revenue Expenditure has displayed wide fluctuation during the five-year period 2018-23 between 6.71 per cent and 12.34 per cent, while in 2022-23 it being 10.21 per cent. The overall Revenue Expenditure, its rate of growth and its ratio to Total Expenditure are indicated in **Table 2.14** and the sectoral distribution of Revenue Expenditure pertaining to 2022-23 is given in **Exhibit 2.11**.

Table 2.14: Revenue Expenditure – Basic Parameters

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE) (₹ in crore)	2,27,989.47	2,40,088.56	2,73,304.66	2,94,681.72	3,26,755.22
Revenue Expenditure (RE) (₹ in crore)	1,97,200.60	2,10,434.73	2,36,402.18	2,54,030.42	2,79,964.48
Rate of Growth of RE (per cent)	17.47	6.71	12.34	7.46	10.21
Revenue Expenditure as percentage of TE	86.50	87.65	86.50	86.20	85.68
RE/GSDP (per cent)	12.10	12.07	13.22	12.26	11.84
RE as percentage of RR	113.50	120.58	135.80	122.43	114.86

(Source: Finance Accounts for the respective years)

Exhibit 2.11: Sector-wise distribution of revenue expenditure



(Source: Finance Accounts '2022-23)

- During 2022-23, the Revenue Expenditure witnessed an increase of ₹25,934.06 crore (10.21 per cent) during the year as against an increase of 7.46 per cent during the previous year. This was mainly due to increase of ₹5,927.55 crore, ₹5,855.59 crore and ₹5,346.71 crore towards Pensions and Retirement Benefits (Major Head 2071), General Education (Major Head 2202) and Interest payments (Major Head 2049) respectively during the year. As a percentage of GSDP the Revenue Expenditure decreased from 12.26 per cent in 2021-22 to 11.84 per cent during the current year.
- The actual Revenue Expenditure was short of the assessment made in MTFP by ₹13,563 crore (5.09 per cent). The component-wise breakup is given in the subsequent paragraphs.

2.4.2.1 Major changes in Revenue Expenditure

Table 2.15 details significant variations under various Heads of Account with regard to Revenue Expenditure of the State during the current year and the previous year.

Table 2.15: Variation in Revenue Expenditure during 2022-23 compared to 2021-22
(₹ in crore)

Major Head	Description	2022-23	2021-22	Increase / Decrease (-)
2071	Pensions and other Retirement Benefits	32,177.50	26,249.95	5,927.55
2202	General Education	42,615.28	36,759.69	5,855.59
2049	Interest Payments	46,910.81	41,564.10	5,346.71
3456	Civil Supplies	13,767.56	9,533.92	4,233.64
2401	Crop Husbandry	13,286.61	10,092.71	3,193.90
2801	Power	17,583.25	15,140.10	2,443.15
2055	Police	9,609.47	8,043.55	1,565.92
2235	Social Security and Welfare	11,827.17	10,634.84	1,192.33
2505	Rural Employment	5,936.87	4,916.01	1,020.86
3055	Road Transport	1,908.69	1,046.82	861.87
2236	Nutrition	4,403.12	3,619.76	783.36
2217	Urban Development	2,143.92	1,373.84	770.08
2225	Welfare of Scheduled Castes Scheduled Tribes Other Backward Classes and Minorities	3,626.29	2,997.13	629.16
2075	Miscellaneous General Services	1,358.44	762.43	596.01
2015	Elections	247.97	865.77	(-) 617.80
2211	Family Welfare	3,226.67	3,884.70	(-) 658.03
2216	Housing	2532.62	4119.47	(-) 1586.85
2425	Co-operation	5438.73	7321.13	(-) 1882.40
2245	Relief on account of Natural Calamities	1803.43	9704.44	(-) 7901.01

(Source: Finance Accounts for the respective years)

- Revenue Expenditure on Pensions and other Retirement Benefits was mainly due to increase in payments towards ‘Gratuities’ by 115.84 per cent (₹916.58 crore), ‘Commuted Value of Pensions’ by 205.09 per cent (₹789.35 crore) and ‘Leave Encashment Benefits’ by 138.33 per cent (₹812.90 crore) indicating huge retirements during the year.
- Expenditure on ‘General Education’ increased by 15.93 per cent during the year. This was mainly due to a huge increase of expenditure towards ‘Assistance to Local Bodies for primary education’ from ₹4.78 crore in 2021-22 to ₹806.28 crore (16,768 per cent), increase of ₹1,646.46 crore (15.67 per cent) under ‘Government Secondary Schools’ and ₹1,282.70 crore (13.24 per cent) under ‘Government Primary Schools’.

- Interest payments increased by 12.86 *per cent* due to increased payment towards internal debt. The increase was mainly due to increase in the expenditure on ‘Interest on market loans’ by 13.62 *per cent* (₹4,363.28 crore) and ‘Management of debt’ by 19.49 *per cent* (₹163.40 crore) during the year.

2.4.2.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages and pensions. It has first charge on Government resources.

Apart from above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as capital expenditure, etc. For example, the following items may be considered as inflexible expenditure:

- (i) Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution / transfer for capital expenditure);
- (ii) Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation / Response Fund (SDMF/SDRF), etc.;
- (iii) Recoupment of Contingency Fund - Amount recouped within the year;
- (iv) Transfer of cess to reserve fund / other body, which are statutorily required;
- (v) Share contribution of CSS against the Central Fund received - Amount of State share to be transferred to SNAs / spent by the State;
- (vi) Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure - Interest Payment

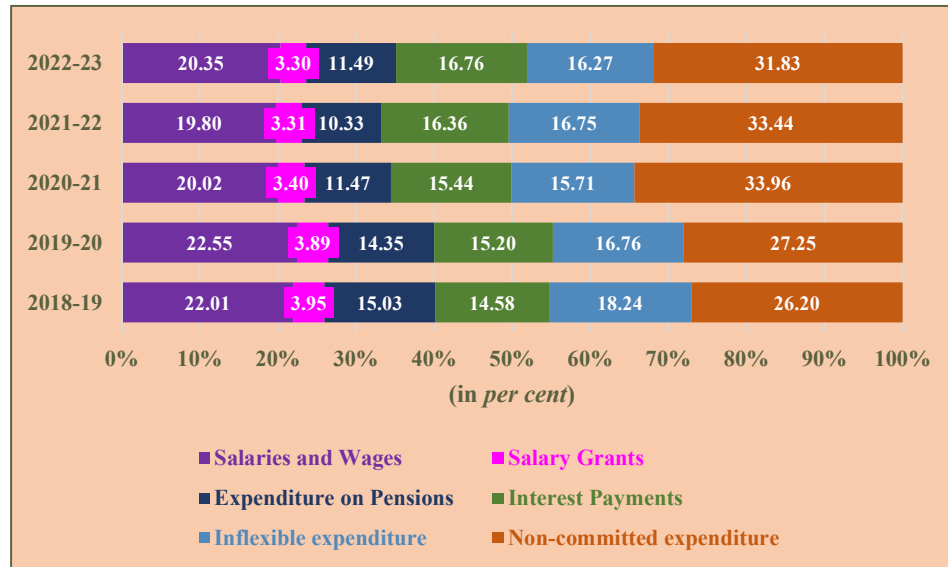
Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.16** and share of committed expenditure in revenue expenditure is shown in **Exhibit 2.12**.

Table 2.16: Components of Committed and Inflexible Expenditure

(₹ in crore)					
Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries & Wages	43,394	47,447	47,333	50,293	56,970
Salary grants	7,792	8,190	8,027	8,416	9,248
Expenditure on Pensions	29,630	30,202	27,115	26,250	32,177
Interest Payments	28,757	31,980	36,497	41,564	46,911
Total – committed expenditure	1,09,573	1,17,819	1,18,972	1,26,523	1,45,306
Components of inflexible expenditure					
Expenditure from SDRF	786	707	1360	1088	329
Expenditure from SDMF	0	0	0	0	143
Revenue Expenditure from Central Assistances (included CSS/CS)	23,293	22,373	24,859	28,330	27,672
Devolution to local bodies (MH – 3604)	11,881	12,182	10,920	13,134	17,397
Total – Inflexible expenditure	35,960	35,262	37,139	42,552	45,541
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	24.98	27.19	27.19	24.24	23.37
Salary grants	4.48	4.69	4.61	4.06	3.79
Expenditure on Pensions	17.05	17.31	15.58	12.65	13.20
Interest Payments	16.55	18.32	20.97	20.03	19.25
Total-committed expenditure	63.07	67.51	68.34	60.98	59.60
Inflexible Expenditure	20.70	20.20	21.33	20.51	18.68
Total	83.77	87.71	87.67	81.49	78.29
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	22.01	22.55	20.02	19.80	20.35
Salary grants	3.95	3.89	3.40	3.31	3.30
Expenditure on Pensions	15.03	14.35	11.47	10.33	11.49
Interest Payments	14.58	15.20	15.44	16.36	16.76
Total – committed expenditure	55.55	55.99	50.33	49.80	51.90
Inflexible Expenditure	18.24	16.76	15.71	16.75	16.27
Total	73.79	72.75	66.04	66.55	68.17
Non-Committed RE (RE-Committed – inflexible expenditure)	51,667	57,354	80,291	84,955	89,117
Percentage of RE	26.20	27.25	33.96	33.44	31.83
Percentage of TE	22.66	23.89	29.38	28.83	27.27
Subsidies	18,922	20,144	25,110	21,689	29,559
Subsidies as a percentage of Non-Committed Expenditure	36.62	35.12	31.27	25.53	33.17

(Source: Finance Accounts for the respective years)

Exhibit 2.12: Share of Committed expenditure in total Revenue Expenditure



(Source: Finance Accounts for the respective years)

- The committed expenditure (₹1,45,306 crore) increased by ₹18,783 crore mainly due to increase in expenditure on pensions by 25.38 per cent (₹6,515 crore) which arose on account of disbursement of terminal benefits to employees attaining enhanced retirement age of 60 years³, the increase in ‘Salaries’ and ‘interest payments’ by ₹7,509 crore and ₹5,347 crore respectively.
- The expenditure on interest payments stood at 19.25 per cent of the total revenue receipts (₹2,43,749 crore) of the State during 2022-23, as against 20.03 per cent during 2021-22. As a percentage of revenue expenditure, interest payments increased from 16.36 per cent in 2021-22 to 16.76 per cent during the current year.
- The inflexible expenditure is statutory devolution to local bodies booked under the Major Head ‘3604’, expenditure on SDRF, SD MF and revenue expenditure on CSS. As a percentage of revenue expenditure, the inflexible expenditure was ranged between 15.71 per cent and 18.24 per cent during 2018-19 to 2022-23. Further, the inflexible expenditure (₹45,541 crore) increased by 7.02 per cent during 2022-23 over the previous year (₹42,552 crore)

2.4.2.3 Avoidable Expenditure under National Pension System

GoTN launched Defined Contributory Pension Scheme (DCPS) for its employees from 1 April 2003. The scheme was applicable to all new entrants joining State Government Service on or after 2003. Under this system, employees contribute 10 per cent basic pay and dearness allowance, which is matched by the State Government and both employer’s and employee’s

³ Vide G.O. Ms. No. 29 dated 25 February 2021.

contribution are initially transferred to the Public Account (Major Head '8342-117- Defined Contributory Pension Scheme').

DCPS accounts of individual Government employees⁴ are maintained by Government Data Centre (GDC). Every year GDC calculates the interest due at the notified rates and credits the interest to the DCPS Account of individual Government employee.

The expenditure on Pension and other Retirement benefits during the year in respect of State Government employees recruited on or before 31 March 2003 was ₹28,840.35 crore which is 10.30 *per cent* of total Revenue Expenditure of ₹2,79,964.48 crore.

On creation of National Pension System (NPS) architecture, Pension Fund Regulatory and Development Authority (PFRDA) requested (2008 and 2009) GoTN to join NPS. GoTN declined (2010) to join NPS architecture and initially cited non-enactment of PFRDA Act by parliament, to justify its decision to continue with the existing system of retaining pension fund money in Public Account of the State.

The State Government even after a lapse of 20 years since inception of the DCPS, did not join NPS and designate the fund manager. Instead, out of total amount of ₹63,675.06 crore in the Fund as on 31 March 2023, an amount of ₹56,638.51 crore was invested under "New Group Superannuation Scheme with Cash Accumulation Plan" with Life Insurance Corporation of India.

The interest amount of ₹1,149.55 crore received from the LIC for the year 2019-2020 has been reinvested in the same fund after adjusting the management charges of ₹20.90 crore. The interest on investments in LIC (amounting to ₹3,625.98 crore⁵ (₹1,630.48 crore during 2020-21 and ₹1,995.50 crore during 2021-22)) has been reinvested in LIC. These adjustments have not been incorporated into the accounts by the State Government. Thus, the interest which has to be credited in the Government account under the Major Head 0049 was not credited, thereby resulting in understatement of Revenue Receipts to that extent.

During the year 2022-23, the employee's and the Government's contributions towards DCPS were ₹3,409.52 crore and ₹3,337.14 crore respectively. An amount of ₹3,864.12 crore was credited to the DCPS Fund as interest by allocating provision under MH 2049 – Interest payments, by the State Government during the year. The interest on DCPS had increased from ₹1,714.87 crore in 2017-18 to ₹3,864.12 crore in 2022-23.

During the year 2021-22, the Government earned an interest/average yield of 5.47 *per cent* (₹1,995.50 crore) and 4.29 *per cent* (₹506.85 crore) on investment of DCPS funds in LIC and T.Bills respectively. However, interest paid to individual account holders during 2021-22 was 7.10 *per cent*, the rates being at par with the interest paid to GPF subscribers.

⁴ Including employees of Local Bodies and aided educational institutions.

⁵ Interest amount of 2022-23 was not furnished by the Department.

The interest / average yield of interest earned on investment in LIC could not be calculated for 2022-23 as the State Government did not furnish details on interest earned on investment of DCPS funds in LIC during 2022-23. As a result, Audit could not quantify the avoidable additional amount of interest being paid by the Government to the subscribers during 2022-23. The fact, however, remains that had the Government joined NPS and designated fund managers, the subscribers would have been benefitted with more returns. Further, this avoidable excess financial burden has been mounting up year after year, impacting the State’s Revenue Expenditure and the fiscal prudence to that extent is severely compromised with by the State Government. This issue was also highlighted in the SFAR 2021-22. The Government has not yet taken any corrective measures.

On being pointed out by Audit, ACS stated that an Expert Committee was constituted by GoTN to examine the feasibility of implementing the demand of continuing the old pension scheme and to make recommendation on the possible option to Government for appropriate decisions. The Committee had submitted its report to Government on 27 November 2018, which was under examination.

2.4.2.4 Subsidies

Subsidies are dispensed not only explicitly and booked under the object head ‘subsidies’, but also implicitly⁶ by providing subsidised public service to the people. The subsidies extended during the period 2018-23, as a *per cent* of Revenue Receipts and Revenue Expenditure are detailed in the **Table 2.17** below:

Table 2.17: Expenditure on subsidies during 2018-23

	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies (₹ in crore)	18,922	20,144	25,110	21,689	29,559
Subsidies as a percentage of Revenue Receipts	10.89	11.54	14.42	10.45	12.13
Subsidies as a percentage of Revenue Expenditure	9.60	9.57	10.62	8.54	10.56

(Source: Finance Accounts for the respective years)

A list of schemes for which the State Government provided subsidy during 2018-23 are given in **Table 2.18** and **Table 2.19**.

Table 2.18: List of schemes for which explicit subsidy was given by the State Government (₹ in crore)

Name of the scheme	2018-19	2019-20	2020-21	2021-22	2022-23
Public Distribution System Support	7,989	8,363	9,604	9,324	13,277
Compensation to Tamil Nadu Electricity Board (TNEB) due to reduction in tariff to domestic consumers	3,076	3,367	3,518	3,448	5,247
Investment promotion subsidy for industries	2,000	2,560	1,290	1,559	1,404

⁶ Subsidies which were not booked under the object head “11-Subsidies” under the relevant major head of account are “Implicit Subsidies”.

Name of the scheme	2018-19	2019-20	2020-21	2021-22	2022-23
Reimbursement of social cost on student concessions in bus fares	764	1,275	3,430	1,289	1,367
Reimbursement of loss due to issue of free bus passes to women	--	--	--	1217	2,729
Free distribution of handloom clothes to the people below poverty line	468	484	479	488	770
Payment to TNEB on behalf of Power loom weavers	343	336	384	371	375
Subsidy to farmers for Agricultural inputs	1	183	1	--	--
Other subsidies schemes	4,281	3,576	6,404	3,993	4,390
Total	18,922	20,144	25,110	21,689	29,559

(Source: Finance Accounts for the respective years)

Explicit subsidies increased from ₹21,689 crore in 2021-22 to ₹29,559 crore, an increase of 36.29 per cent (₹7,870 crore) during the year.

Implicit Subsidies

Implicit subsidies arise when the Government provides social and economic goods/services at a price lesser than the cost of goods and services incurred by the Government. It can be in direct or in kind or can be given as concessions. Some of the major implicit subsidies given in kind during 2022-23 is given in **Table 2.19**.

Table 2.19: Implicit subsidies given in kind during 2022-23

(₹ in crore)	
Name of the scheme	2022-23
Providing Breakfast to the Government Primary School Students on all School Days under Chief Minister's Breakfast Scheme	25.53
Free Supply of Bicycles	328.36
Free supply of food and cloth	7.27
Establishment of free Hearse Services in Government Medical Institutions through IRCS	23.48
Free distribution of Laptop Computers to the Students.	4.46
Production and Distribution of quality seeds	38.42
Scheme for Supply of Sewing Machines	1.35
Smart phones to hearing and visually impaired persons	10.00
Grand Total	438.87

(Source: Finance Accounts '2022-23)

Some of the implicit subsidies in the form of cycle, laptop, cloth etc., which stood at ₹438.87 crore, was wrongly classified as Grants-in-aid instead of subsidies.

2.4.2.5 Recoveries under 'Minor Head – 911'

As per Paragraph 3.10 under General Directions of 'List of Major and Minor Heads of Account of Union and States' (LMMH) issued by the Controller General of Accounts (CGA), recoveries of overpayments pertaining to previous

year(s) shall be recorded under distinct minor head 'Deduct- Recoveries of Overpayments' (code '911') below the concerned major/sub-major head 'without affecting the gross expenditure under the functional Major/Sub-Major Head in the Appropriation Accounts'.

During the year, an unspent amount of ₹1698.68 crore, under 651 heads of account, relating to previous years was remitted into the Government account under the minor head "911 - Recoveries of overpayment". This included ₹23.36 crore under 27 Schemes and ₹14.82 crore under 61 Schemes of wholly Centrally Sponsored Schemes and Central Schemes Shared between Centre and States respectively. Out of 651 schemes, more than one crore remittances relating to previous years were made under 54 schemes (₹1646.18 crore) which constituted 96.91 *per cent* of the remittances (**Appendix 2.3**). This includes huge remittances under three major schemes viz., "Dr. Muthulakshmi Reddy Maternity Assistance Scheme for the female members of Below Poverty Line families for delivery" (₹585.55 crore), "State's Share towards Premium Subsidy under Pradhan Mantri Fasal Bima Yojana (PMFBY) for Agriculture" (₹225.22 crore) and "Interest Subsidy to Co-operative institutions towards reduced interest for crop loans to the farmers" (₹197.27 crore).

Further scrutiny revealed that under the scheme "2425.00.108.KD - Interest Subsidy to Co-operative Institutions towards reduced interest for crop loans to the farmers", out of the expenditure of ₹1,944.09 crore from 2014-15 to 2022-23, remittances to the tune of ₹991 crore were made into the Government account under the minor head 911. This indicates that the actual expenditure was not only inflated in the accounts during the year of drawal, but also inflated the revenue expenditure and revenue deficit to that extent during that period, apart from giving a wrong depiction of expenditure against these schemes.

On being pointed out by Audit, Government replied (November 2023) that necessary instructions had been issued to all department to remit the amount in the concerned service head of account in the same financial year.

2.4.2.6 State Finance Commission-Non-sharing of GST compensation with Local Bodies

Article 243-I and 243-Y of the Constitution of India makes its mandatory to the State Government to constitute a Finance Commission within one year of the commencement of the 73rd & 74th constitutional amendment act and thereafter on expiry of every five years. The mandate of the State Finance Commission is to review the financial position of local bodies and submitted its report and recommendations to Hon'ble Governor of Tamil Nadu and Hon'ble Chief Minister. The Government would also submit the SFC reports along with Explanatory Memorandum on the Action Taken Report (ATR) on recommendations of SFC in the floor of the House. The Third Tier of Government viz. Local Bodies in Urban and Rural Areas would receive the devolution of grants from the State's Own Tax Revenue funds based on the prescribed percentage recommended by the respective SFCs and accepted by

Government. The State had constituted Sixth SFCs and Action Taken Notes on all SFCs were placed in the Assembly.

The Fifth State Finance Commission (5th SFC) in its report in Para 10.20, which was submitted to Government (December 2016) for the period 2017-18 to 2021-22 had recommended that the Government should share 10 *per cent* of the compensation that it receives from the Centre for the shortfall in revenue collections of the State due to introduction of GST. The above recommendation was also accepted by Government in their Action Taken Report (ATR) submitted to Government during March 2017.

Audit scrutiny of the records of Finance Department and Municipal Administration and Water Supply Department revealed that the Government of Tamil Nadu had received an amount of ₹46,125.99 crore during the last five years from 2018-19 to 2022-23 and had not transferred 10 *per cent* of the compensation amount of ₹461.26 crore to local bodies as recommended by 5th SFC and accepted by Government. Thus, non-sharing of the GST compensation amount as agreed by Government deprived the Local Bodies of the amounts due to them.

On being pointed out by Audit, Government replied (September 2023) that the State had sanctioned a sum of ₹80,623.87 crore to local bodies through State Finance Commission grant, pooled assigned revenue and other scheme funds which was over and above the GST compensation.

The above reply was silent about non-sharing of GST compensation as SFC had recommended 10 *per cent* GST compensation in addition to mandatory SFC grant and pooled assigned revenue. Despite the acceptance of SFC recommendations in their ATR, the Government had not implemented them and did not share the GST compensation for more than five years.

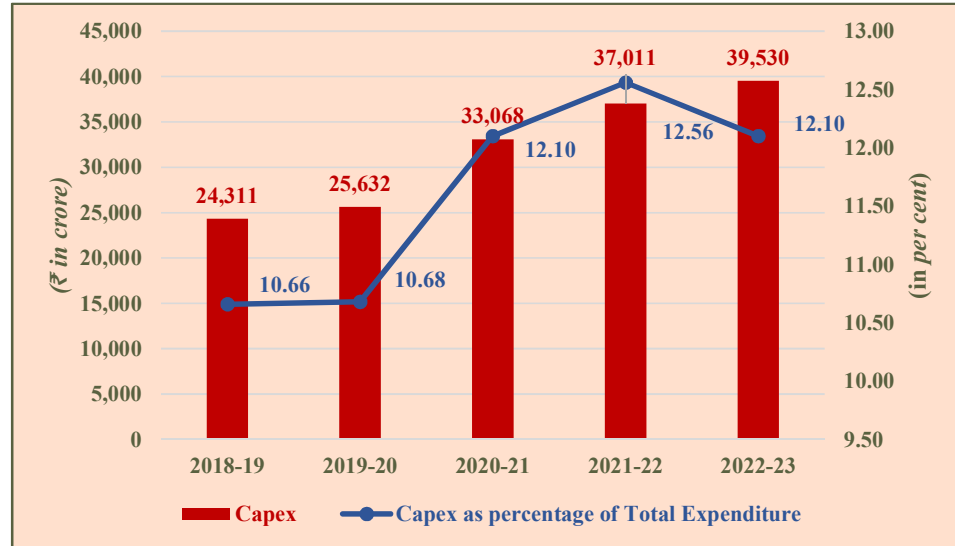
2.4.3 Capital Expenditure

Capital Expenditure (Capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Capex is being met from budgetary support and extra budgetary resources/off budget. In recent times, the infrastructure requirements have increased manifold and Special Purpose Vehicles (SPV) have been set up to carry out bulk of Capex.

During the year, the Government incurred ₹39,530 crore towards Capex, which increased by ₹2,519 crore (6.81 *per cent*) over the previous year. This was against the budgeted estimate (revised) of ₹38,347 crore. It constituted 1.67 *per cent* of GSDP and 39 *per cent* of the Public Debt receipts, which is indicative of the fact that most of the public debt receipts are utilised for either financing the deficits or for repayment of debts.

As a percentage of Total Expenditure, the Capex decreased by 0.46 per cent over the previous year. The trend in Capital expenditure during the period 2018-23 is shown in the **Exhibit 2.13** below.

Exhibit 2.13: Capital expenditure in the State



(Source: Finance Accounts for the respective years)

2.4.3.1 Major changes in Capital Expenditure

The major changes in Capital expenditure during 2022-23 compared to 2021-22 is given in **Table 2.20** below.

Table 2.20: Major changes in Capital Expenditure

		₹ in crore)		
Major Head	Description	2021-22	2022-23	Increase (+) / Decrease (-)
5055	Capital Outlay on Road Transport	427.73	1,639.85	1,212.12
5054	Capital Outlay on Roads and Bridges	13,385.53	14,414.16	1,028.63
4250	Capital Outlay on Other Social Services	50.17	626.56	576.39
4700	Capital Outlay on Major Irrigation	2,131.46	2,691.43	559.97
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	271.60	751.59	479.99
4711	Capital Outlay on Flood Control Projects	87.65	531.62	443.97
4405	Capital Outlay on Fisheries	275.28	595.75	320.47
4515	Capital Outlay on other Rural Development Programmes	1,745.83	2,005.69	259.86
4059	Capital Outlay on Public Works	602.66	821.52	218.86
4217	Capital Outlay on Urban Development	8,453.54	8,210.71	(-) 242.83
4801	Capital Outlay on Power Projects	442.39	57.99	(-) 384.40
5465	Investments in General Financial and Trading Institutions	400.00	0.00	(-) 400.00
4215	Capital Outlay on Water Supply and Sanitation	3,008.07	2,477.64	(-) 530.43
5053	Capital Outlay on Civil Aviation	1,344.21	472.33	(-) 871.88
4210	Capital Outlay on Medical and Public Health	2,300.78	1,201.20	(-) 1,099.58

(Source: Finance Accounts for the respective years)

The increase under '5055 – Capital Outlay on Road Transport' was mainly due to investments of ₹462.51 crore made towards Share Capital Assistance to State

Transport Undertakings and ₹949.19 crore towards Share Capital Assistance to Transport Development Finance Corporation Limited (TDFC) respectively. Major increases were under Road Transport (₹1,212.12 crore) and Roads and Bridges (₹1,028.63 crore), while there had been a substantial decline in the growth rate in medical and public health (48 *per cent*), Civil Aviation (65 *per cent*), water supply and sanitation (18 *per cent*), etc.

2.4.3.2 Quality of capital expenditure

In the post-Fiscal Responsibility and Budget Management framework, the State is expected to keep its fiscal deficit not only at low levels but also eliminate revenue deficit and meet its capital expenditure/investment (including loans and advances) requirements from its own sources of revenue. In addition, the State Government is required to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

(i) Quality of investments in the companies, corporations and other bodies

As per Finance Accounts 2022-23, the State Government as of March 2023 had invested ₹44,525.55 crore in one Statutory Corporation, 55 Government Companies, two Joint Stock Companies and various Co-operatives.

The details of investments made by the Government is given in **Table 2.21** below:

Table 2.21: Details of Investment made by the Government

Sl. No	Description	Number of entities	Investment at the end of the year (₹ in crore)
1	Tamil Nadu Warehousing Corporation	1	3.81
2	Government Companies	55	44,022.31
3	Joint Stock Companies	2	0.71
4	Co-operative Institutions	--*	498.72
	Total	58	44,525.55

* Number of Co-operative institutions not available
(Source: Finance Accounts)

The average rate of return on these investments was a meagre 0.49 *per cent* in the last five years (2018-19 to 2022-23) while the average rate of interest paid by the Government on its borrowings during the same period was 7.80 *per cent*. The Average rate of interest on Government Borrowings during the current year was 7.37 *per cent*.

The investments at the end of the year and the details of return on investment for the period 2018-23 is given in **Table 2.22**.

Table 2.22: Return on Investment

Investment/return/ cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Investment at the end of the year (₹ in crore)	36,480	39,866	41,578	42,167	44,526
Borrowings at the end of the year* (₹ in crore)	3,68,736	4,23,743	5,12,555	5,96,331	6,77,255
Return (₹ in crore)	135	160	174	256	294
Return (<i>per cent</i>)	0.37	0.40	0.42	0.61	0.66
Average rate of interest on Government Borrowings (<i>per cent</i>)	8.27	8.07	7.80	7.50	7.37
Difference between interest rate and return (<i>per cent</i>)	7.90	7.67	7.38	6.89	6.71
Difference between interest on Government borrowings and return on investment (₹ in crore) #	2,881.92	3,057.72	3,068.46	2,905.31	2,987.69

Investment at the end of the year X Difference between interest rate and return

* After excluding back to back loans of ₹6,241 crore in 2020-21 and ₹14,336 crore in 2021-22 and 2022-23 from GoI in lieu of GST compensation shortfall which are not to be repaid by the State from its sources

(Source: Finance Accounts of the respective years)

During 2022-23, State Government invested ₹1,411.70 crore in State Transport Corporations (including TN State Development Finance Corporation) and ₹935.78 crore in Chennai Metro Rail Corporation.

Difference in figures of Government and PSUs

There were differences in respect of 23 companies / Corporations as reflected in Section 2 - Statement 19 of Finance Accounts (**Appendix 2.4**). The major differences in investments made by the Government (as per Statement 16 of Finance Accounts) and PSUs were observed under (i) Tamil Nadu Power Finance and Infrastructure Development Corporation, (ii) Metropolitan Transport Corporation (Chennai) Limited and (iii) Chennai Metro Rail Limited.

The Government and the PSUs should take concrete steps to reconcile the differences.

(ii) Quantum of loans disbursed and recovered during last five years

In addition to the investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations.

Table 2.23 presents the outstanding loans and advances as on 31 March 2023 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.23: Outstanding loans and advances

Quantum of loans disbursed and recovered	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Opening balance of outstanding loans	41,794	41,359	39,997	38,587	36,872
Amount advanced during the year	6,478	4,022	3,835	3,640	7,261
Amount recovered during the year	6,913	5,384	5,245	5,355	1,078
Closing balance of outstanding loans	41,359	39,997	38,587	36,872	43,055
Net addition	(-) 435	(-) 1,362	(-) 1,410	(-) 1,715	6,183
Interest received	2,703	4	346	320	372
Interest receipts as a percentage of outstanding Loans and Advances given by the Government (<i>per cent</i>)	6.50	0.01	0.88	0.85	0.93
Average rate of Interest paid on the outstanding borrowings of the Government (<i>per cent</i>)	8.27	8.07	7.80	7.50	7.37
Difference between the rate of interest paid and interest received (<i>per cent</i>)	1.77	8.06	6.86	6.60	6.44

(Source: Finance Accounts for the respective years)

(iii) Capital locked in incomplete projects

The year wise age profile of the incomplete projects as on 31 March 2023 are shown in **Table 2.25** and the department-wise information is given in **Table 2.24**.

Table 2.24: Department-wise profile of incomplete projects

Department	No. of incomplete projects*	(₹ in crore)	
		Estimated cost	Expenditure during the year
Buildings	7	62.71	6.97
Irrigation	27	1,620.01	127.81
Roads and Bridges	132	1,144.82	299.62
Others	1	200.00	149.96
Total	167	3,027.54	584.36

Table 2.25 Age-wise profile of incomplete projects

Year	No. of incomplete projects*	(₹ in crore)	
		Estimated cost	Expenditure during the year
< 1 year	92	680.81	160.56
> 1 year	45	1,666.21	284.53
> 2 years	17	514.86	42.19
> 3 years	8	35.47	4.64
> 4 years	--	--	--
> 5 years	1	1.60	--
> 6 years	--	--	--
> 7 years	4	128.59	92.44
	167	3,027.54	584.36

* Only those projects scheduled to be completed before 31 March 2023 were included
(Source: Finance Accounts '2022-23)

Failure to complete the projects in time leads to escalation of project costs and delays the accrual of projects' benefits to the society at large. Delays also result in postponement of revenue realisation from the projects. Effective steps need to be taken to complete all these above projects without further delay to avoid cost overrun due to time overrun.

Capital expenditure met from Reserve Funds

Capital expenditure (₹39,529.91 crore) as reported in the Finance Accounts depicts the net figures after adjusting (deducting) the amount (₹8.74 crore) met from the reserve funds.

2.4.4 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better. Expenditure priority of the State with regard to Health, Education and Capital expenditure are shown in **Table 2.26** below:

Table 2.26: Expenditure priorities

	TE/GSDP	CE/TE	Education/TE	Health/TE
General category States (2018-19)	16.38	15.58	14.76	5.07
Tamil Nadu (2018-19)	13.99	13.50	14.66	5.48
General Category States (2022-23)	15.79	15.22	14.85	5.68
Tamil Nadu (2022-23)	13.82	14.32	13.57	5.39

AE: Aggregate Expenditure, CE: Capital Expenditure, which includes Loans and advances disbursed.

(Source: For GSDP: Central Statistics Office and data from Economic Advisor)

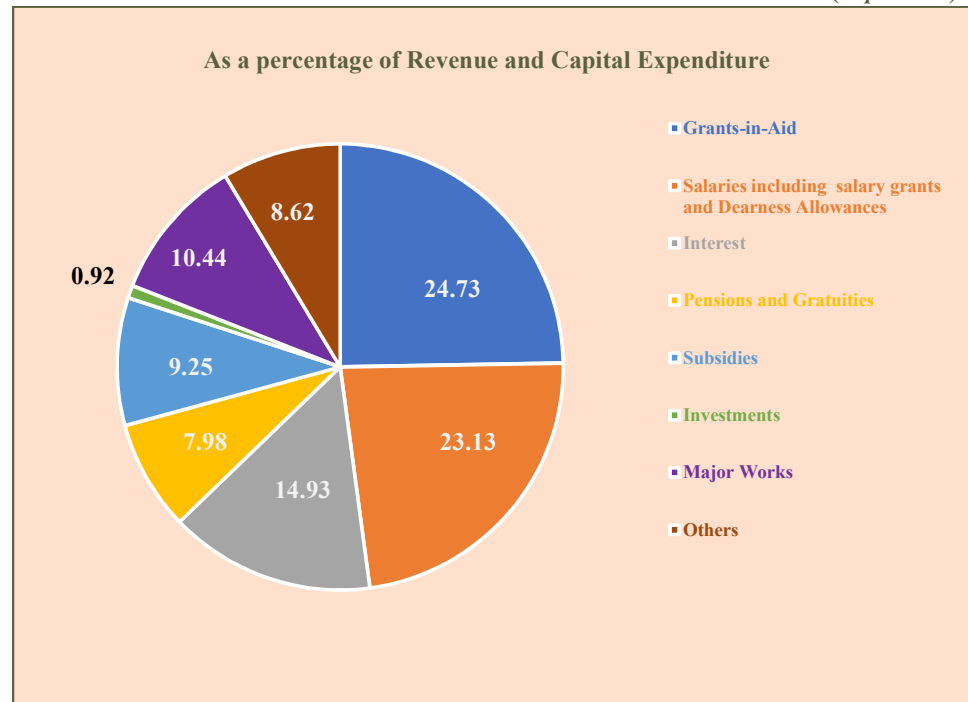
- State Government's total expenditure as a proportion of GSDP decreased from 13.99 *per cent* in 2018-19 to 13.82 *per cent* in 2022-23, whereas for GCS, it decreased from 16.38 *per cent* to 15.79 *per cent*.
- State Government's capital expenditure as a proportion of total expenditure increased from 13.50 *per cent* in 2018-19 to 14.32 *per cent* in 2022-23, whereas for GCS, it decreased from 15.58 *per cent* to 15.22 *per cent* during the same period.

2.4.5 Object head wise expenditure

The Object head wise expenditure during the year is depicted in **Exhibit 2.14** below.

Exhibit 2.14: Object head wise expenditure

(in per cent)



(Source: Finance Accounts '2022-23)

- While 46.04 per cent of the total revenue and capital expenditure was incurred towards salaries & allowances, pensionary payments and interest commitments, investments made during the year was a meagre 0.92 per cent and the expenditure on major works stood at 10.44 per cent. The Government had not given adequate priority to the capital expenditure.

2.5 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these accounts. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

The component-wise net balances in Public Account of the State is given in Table 2.27 below.

Table 2.27: Component-wise net Public Account balances as of 31 March of the year
(₹ in crore)

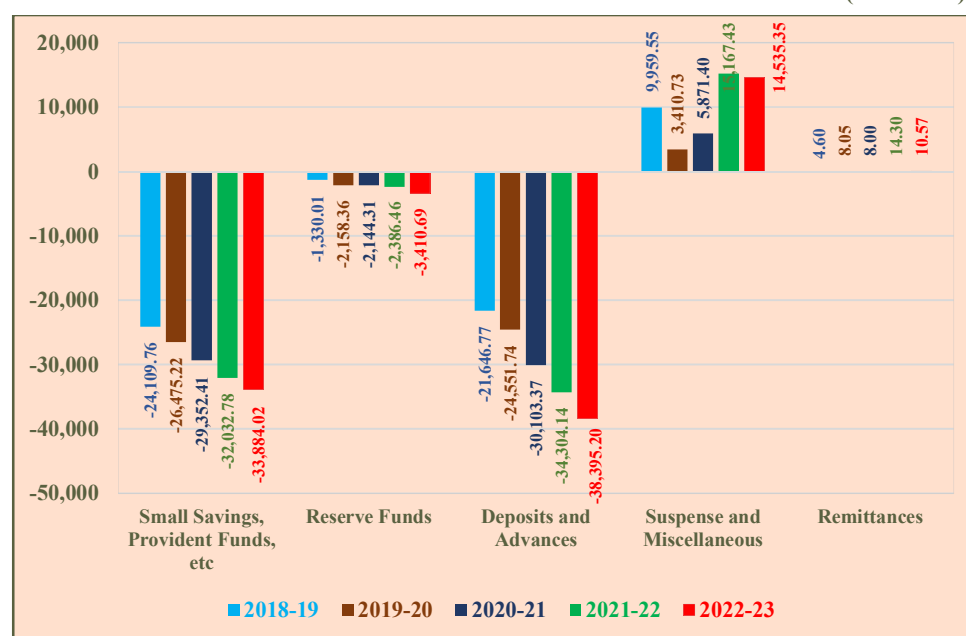
Sector	Sub-Sector	2018-19	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Funds	Small Savings, Provident Funds, etc.	(-) 24,109.76	(-) 26,475.22	(-) 29,352.41	(-) 32,032.78	(-) 33,884.02
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	(-) 113.42	(-) 113.42	(-) 113.42	(-) 1,198.57
	(b) Reserve Funds not bearing Interest	(-) 1,330.01	(-) 2,044.94	(-) 2,030.89	(-) 2,273.04	(-) 2,212.12
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 8,008.32	(-) 9,323.98	(-) 8,014.50	(-) 7643.95	(-) 9,992.02
	(b) Deposits not bearing Interest	(-) 13,646.16	(-) 15,235.43	(-) 22,096.51	(-) 26,667.81	(-) 28,410.75
	(c) Advances	7.71	7.67	7.64	7.62	7.57
L. Suspense and Miscellaneous	(b) Suspense	(-) 141.69	(-) 283.10	29.01	57.60	131.71
	(c) Other Accounts	10,100.00	3,692.59	5,841.15	15,108.59	14,402.40
	(d) Accounts with Governments of Foreign Countries	1.24	1.24	1.24	1.24	1.24
	(e) Miscellaneous	--	--	--	--	--
M. Remittances	(a) Money Orders, and other Remittances	(-) 0.50	(-) 0.51	(-) 0.48	5.47	5.55
	(b) Inter-Governmental Adjustment Account	5.10	8.56	8.48	8.83	5.02
Total		(-) 37,122.39	(-) 49,766.54	(-) 55,720.69	(-) 53,541.65	(-) 61,143.99

Note: (+) ve denotes debit balance and (-) ve denotes credit balances

(Source: Finance Accounts for the respective years)

Exhibit 2.15: Yearly changes in composition of Public Account balances

(₹ in crore)



(Source: Finance Accounts for the respective years)

- The public account liability of the Government increased by 14.20 per cent from ₹53,541.65 crore in 2021-22 to ₹61,143.99 crore in 2022-23.

- The major contributions to the public account were from ‘small savings, provident fund, etc.’ and ‘Deposits and Advances’.

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State.

The total accumulated balance as on 31 March 2023 under Reserve Funds was ₹14,020.21 crore (includes ₹1,198.57 crore in interest bearing Reserve Funds and ₹12,821.64 crore under non-interest-bearing Reserve Funds). Some of the major Reserve Funds are discussed below.

2.5.2.1 Consolidated Sinking Fund

The State Governments have set up the Sinking Fund in line with the recommendations of the Twelfth Finance Commission (XII FC) for amortization of market borrowings as well as other loans and debt obligations. The fund is managed by the Reserve Bank of India

The State Government has created a Consolidated Sinking Fund (CSF) in 2005-06 for amortisation of Open Market Loans, Government of India Loans and Special Securities issued to National Small Savings Fund availed off by the State Government. The fund is managed by the Reserve Bank of India. As per the Notification in Tamil Nadu Gazette, the Government may contribute at the rate of 0.5 *per cent* of the outstanding liabilities as at the end of the previous year, to CSF. During the year, the State Government contributed ₹632.94 crore to the Fund, which works out to only 0.10 *per cent* of the outstanding liabilities of ₹6,10,666 crore as on 1 April 2022.

As on 31 March 2023, CSF had a balance of ₹8,703.35 crore. The interest earned on the investments made during the year was ₹112.86 lakh.

Due to the increased trend in the liabilities, the Government may initiate contributing the requisite amount as prescribed in the Act.

2.5.2.2 State Disaster Response Fund

In terms of the guidelines of the State Disaster Response Fund, the Centre and States are required to contribute to the Fund in a certain proportion (75:25). The contributions are to be transferred to the Public Account to Major Head – 8121. Expenditure during the year is incurred by operating Major Head – 2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in

Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal budgetary heads/ State Plan Funds, etc.

During the year 2022-23, the State Government transferred ₹1,142.40 crore to SDRF Account towards natural calamities (Central share of ₹856.80 crore and State Share of ₹285.60 crore)

The details of expenditure charged to SDRF is given below in **Table 2.28**.

Table 2.28: Details of expenditure charged to SDRF

		(₹ in crore)
Major Head of Account	Minor Head of Account	Expenditure during 2022-23
2245- Relief on Account of Natural Calamities - 01- Drought.	101 - Gratuitous Relief	0.04
	911 - Deduct-Recoveries of Overpayments	(-) 0.03
	Sub Total	0.01
2245- Relief on Account of Natural Calamities - 02- Floods, Cyclones etc.	101 - Gratuitous Relief	8.47
	102 - Drinking Water supply	373.50
	111 - Ex-Gratia payment to bereaved families	10.55
	113 - Assistance for repairs / reconstruction of houses	4.14
	114 - Assistance to Farmers for purchase of Agricultural inputs	172.11
	117 - Assistance to Farmers for purchase of livestock	0.57
	118 - Assistance for repairs / replacement of damaged boats and equipment for fishing	0.01
	800 - Other Expenditure	20.73
	282 – Public Health	0.00
	911 - Deduct-Recoveries of Overpayments	(-) 6.14
Sub Total	583.94	
80- General	102 - Management of Natural Disasters, Contingency plans in disaster prone areas	7.56
	800 - Other Expenditure	136.69
	911 - Deduct-Recoveries of Overpayments	(-) 9.91
	Sub-Total	134.34
Grand Total	718.29	
05 - State Disaster Response Fund	901- Deduct - Amount met from State Disaster Response Fund	329.25
08 - State Disaster Mitigation Fund	902- Deduct - Amount met from State Disaster Mitigation Fund	142.80

(Source: Finance Accounts '2022-23)

An expenditure of ₹329.25 crore has been defrayed from the Fund during 2022-23. The available balance in the Fund as on 31 March 2023 amounted to ₹813.15 crore.

2.5.2.3 State Disaster Mitigation Fund

The State Disaster Mitigation Fund (SDMF) is constituted in the year 2021-22 under the section 48 (1) (c) of the Disaster Management Act, 2005. This fund is exclusively meant for the purpose of mitigation projects in respect of disasters covered under the State Disaster Response Fund (SDRF) / National Disaster Response Fund (NDRF). The Government of India will contribute 75 per cent funds of SDMF and the remaining 25 per cent of funds of SDMF will be contributed by the State Government.

During the year 2022-23, the State Government received ₹204 crore for 2021-22 and ₹107.10 crore for 2022-23 from the Central Government. The State Government transferred ₹68.00 crore for 2021-22 and ₹35.70 crore for 2022-23 to the fund and the total amount transferred to fund during 2022-23 was ₹414.80 crore. Government had spent ₹142.80 crore for disaster mitigation projects during 2022-23 and have a credit balance of ₹272 crore as on 31 March 2023.

2.5.2.4 Guarantee Redemption Fund

The Guarantee Redemption Fund (GRF) was constituted in March 2003 for meeting the expenditure incurred towards discharging the guarantees invoked and is administered by the Reserve Bank of India. As per the guidelines of the GRF scheme in Tamil Nadu, the State Government is to contribute an amount equivalent to at least 1/5th of the outstanding invoked guarantee and amount likely to be invoked as a result of the incremental guarantees issued during the year.

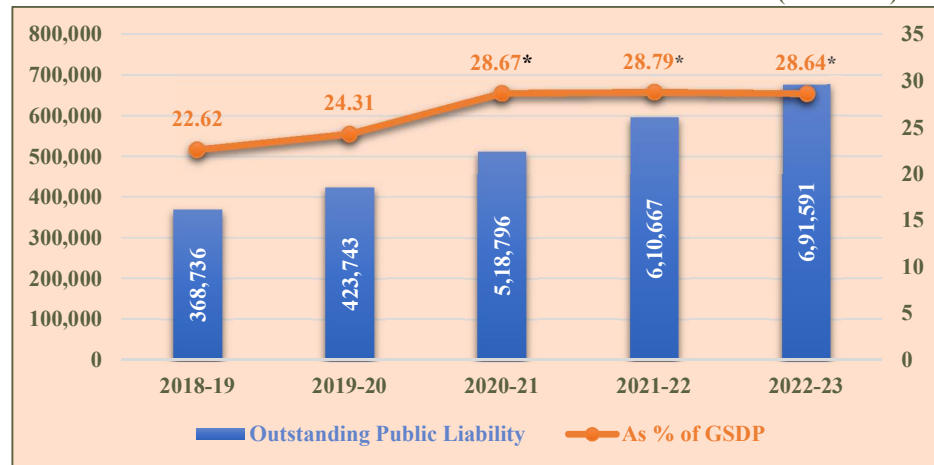
During the year, the Government had contributed only an amount of ₹1,004.50 crore (1.11 per cent) as against the due amount of ₹18,141.84 crore, being 1/5th of the outstanding guarantee at the end of the year. Thus, there was a short contribution of ₹17,137.34 crore to the fund during the year. The closing balance as on 31 March 2023 was ₹2,150.23 crore out of which ₹2,138.74 crore was invested in treasury bills. The gain on sale of securities during the year was ₹34.32 crore. No guarantees were invoked during 2022-23.

2.6 Public Liability Management

Management of public liability is the process of establishing and executing a strategy for managing the Government's liabilities in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

Trend analysis of outstanding liability (includes internal debt of the State Government, loans and advances from GoI and Public Account liabilities) and in terms of debt as a percentage of GSDP for the period 2018-19 to 2022-23 is given in **Exhibit 2.16**.

Exhibit 2.16: Outstanding Public Liability and its percentage to GDP
(₹ in crore)



* After excluding back to back loans of ₹6,241 crore in 2020-21 and ₹14,336 crore in 2021-22 and 2022-23 from GoI in lieu of GST compensation shortfall which are not to be repaid by the State from its sources

(Source: Finance Accounts for the respective years)

2.6.1 Liability profile: Components

Total liabilities of the State Government typically constitutes internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government and Public Account Liabilities. The component-wise liability trend is given in **Table 2.29** and breakup of outstanding liability at the end of 2022-23 is shown in **Exhibit 2.17**.

Table 2.29: Component wise liability trends

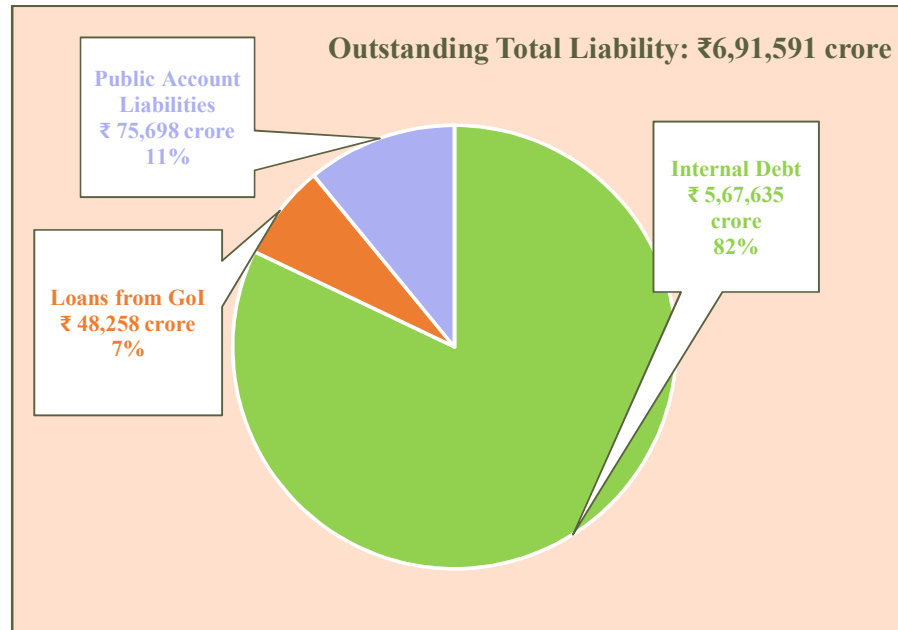
Components of Fiscal Liability		2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Overall Liability (A+B)		3,68,736	4,23,743	5,18,796	6,10,667	6,91,591
<i>A. Public Debt (₹ in crore)</i>	<i>Internal Debt</i>	3,04,350	3,52,625	4,29,748	5,02,205	5,67,635
	<i>Loans from GoI</i>	17,292	17,925	27,440	39,731	48,258*
<i>B. Public Account Liabilities (₹ in crore)</i>		47,094	53,193	61,608	68,731	75,698
Rate of growth of outstanding total liability (percentage)		12.93	14.92	22.43	17.71	13.25
Liability/GSDP (per cent)		22.62	24.31	28.67	28.79	28.64[^]
Total Receipts (₹ in crore)		1,63,335	1,87,208	2,44,197	2,48,996	2,28,906
Total Repayments (₹ in crore)		1,21,117	1,32,202	1,49,143	1,57,125	1,47,982
Net Funds Available (₹ in crore)		42,218	55,006	95,054	91,871	80,924
Repayments/ Receipts (per cent)		74.15	70.62	61.07	63.10	64.65

* Effective Loans and Advances from GoI would be ₹33,922 crore after excluding back to back loans of ₹6,241 crore in 2020-21 and ₹14,336 crore in 2021-22 and 2022-23 from GoI in lieu of GST compensation shortfall which are not to be repaid by the State from its sources. As a result, the net funds available would stand at ₹66,588 crore.

[^] The back-to-back loans of ₹8,095 crore during 2021-22 and ₹6,241 crore during 2020-21 received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

(Source: Finance Accounts for the respective years)

Exhibit 2.17: Break up of outstanding liabilities at the end of the Financial Year 2022-23



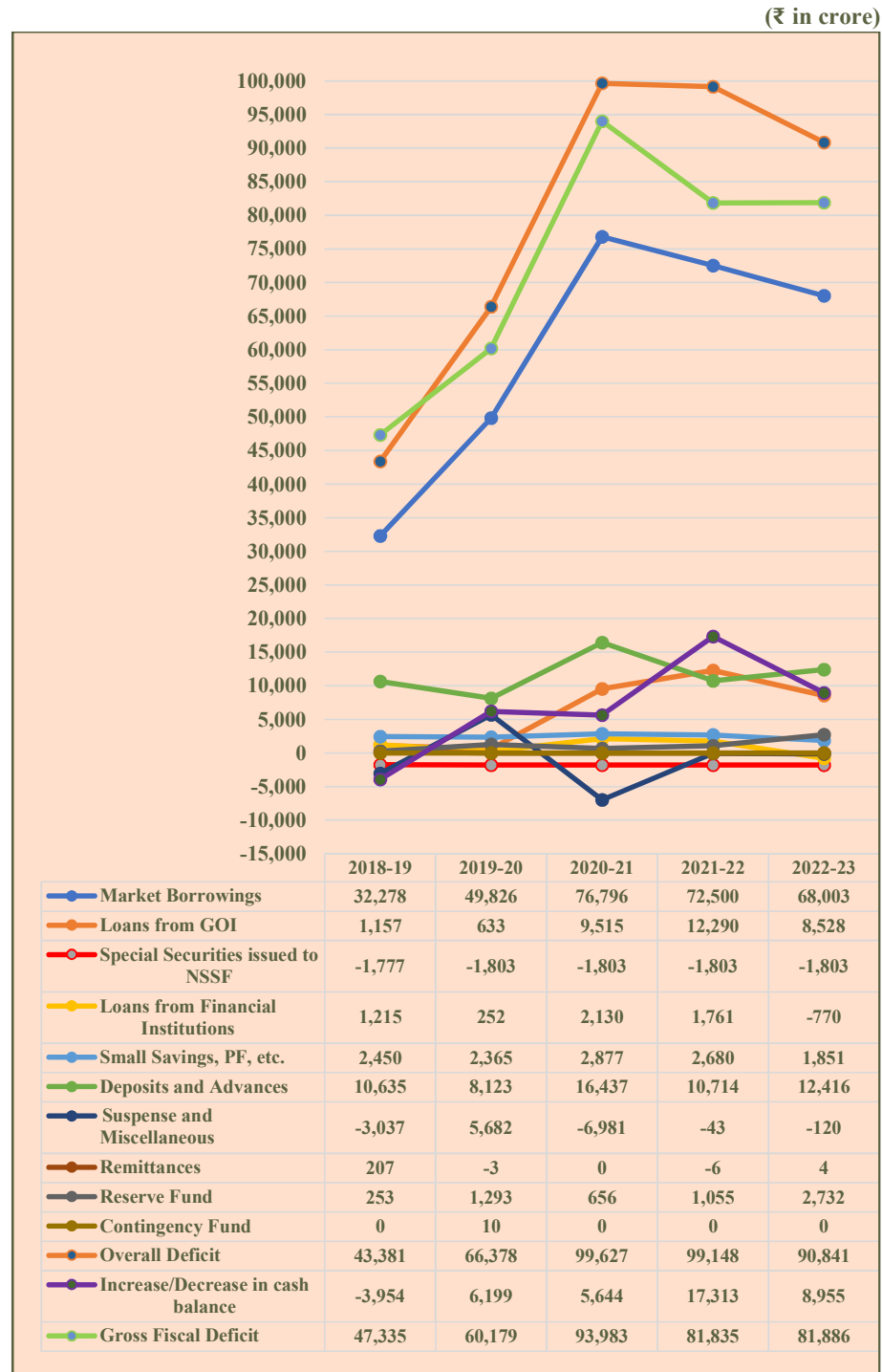
Effective Loans and Advances from GoI would be ₹33,922 crore after excluding back to back loans of ₹6,241 crore in 2020-21 and ₹14,336 crore in 2021-22 and 2022-23 from GoI in lieu of GST compensation shortfall which are not to be repaid by the State from its sources.

(Source: Finance Accounts '2022-23)

- The internal debt of the Government increased by 13.03 per cent from ₹5,02,205 crore at the end of 2021-22 to ₹5,67,635 crore at the end of 2022-23.
- During the year 2022-23, Open Market Loans were raised through the RBI by the State Government to the extent of ₹21,500 crore by re-issue of existing Government Securities which has resulted in allowing discount amount of ₹882.08 crore.
- Though the outstanding liability increased from ₹6,10,667 crore in 2021-22 to ₹6,91,591 crore in 2022-23, as a percentage of GSDP, it decreased from 28.79 per cent in 2021-22 to 28.64 per cent in 2022-23.

The component-wise debt trends and the repayments of internal debt *vis-à-vis* internal debt taken are shown below in **Exhibits 2.18 and 2.19**.

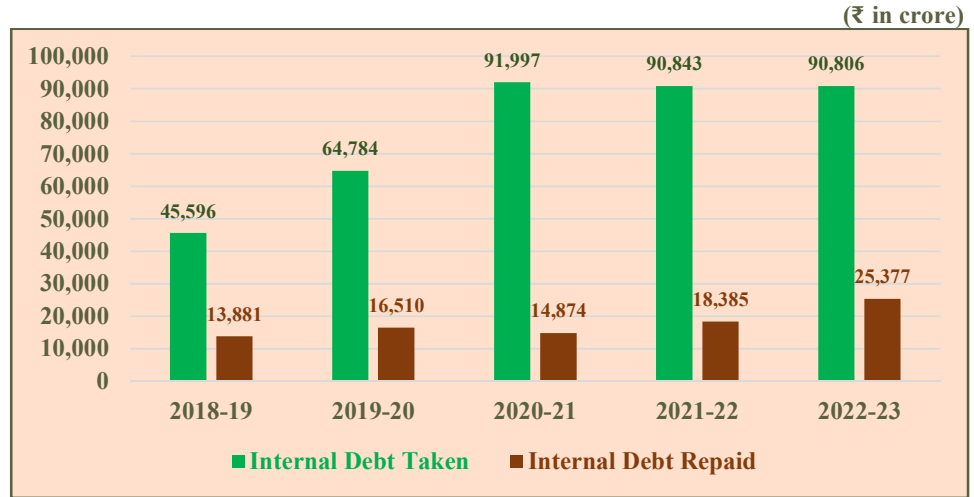
Exhibit 2.18: Component wise debt trends



Note: Effective Loans and Advances from GoI would be ₹33,922 crore after excluding back to back loans of ₹6,241 crore in 2020-21 and ₹14,336 crore in 2021-22 and 2022-23 from GoI in lieu of GST compensation shortfall which are not to be repaid by the State from its sources.

(Source: Finance Accounts for the respective years)

Exhibit 2.19: Internal debt taken vis-à-vis repaid



(Source: Finance Accounts for the respective years)

Internal debt receipts increased from ₹45,596 crore in 2018-19 to ₹90,806 crore in 2022-23 and repayment of internal debt had also increased in similar proportion from ₹13,881 crore to ₹25,377 crore.

2.6.1.1 Off Budget Borrowings

TNFR Act, 2003 defines total liabilities as “the liabilities under the Consolidated Fund of the State and the Public Account of the State”. However, the borrowings made by the Corporation(s) / Agencies for implementing various State Plan programmes, for which the State Government has undertaken to repay the principal and interest are not captured in the Finance Accounts of the State. These borrowings add to the liabilities of the State indirectly. The details of such outstanding borrowings are given in **Table 2.30**.

Table 2.30: Details of outstanding Off-Budget Borrowings

(₹ in crore)

Sl. No	Name of the Agency	Off-Budget borrowings as of 31 March 2022	Off-Budget Borrowings during the year	Borrowings repaid by Government during the year	Off-Budget borrowings as of 31 March 2023
1	Tamil Nadu Rural Housing and Infrastructure Development Corporation	373.03	--	64.32	308.71
2	Water and Sanitation Pooled Fund – Tamil Nadu Urban Infrastructure Financial Services Limited	239.17	164.48	23.51	380.14
3	Tamil Nadu Water Supply and Drainage Board	0.45	--	0.45	--
4	Tamil Nadu Water Resources Conservation and River Restoration	629.31	1,020.21	39.83	1,609.69
	Total	1,241.96	1,184.69	128.11	2,298.54

(Source: Budget documents and details furnished by the Finance Department)

Though the repayment of principal and interest is made through the budget, the outstanding Off-Budget borrowings do not form part of the outstanding debt liability. The outstanding liability of the Government as on 31 March 2023 was ₹6,91,591 crore and it did not include the Off-Budget borrowing of ₹2,298.54 crore as of 31 March 2023. If Off-Budget borrowing takes into account, the outstanding liability would stand at ₹6,79,553.54 crore (excluding back to back loan) and debt GSDP ratio would increase from 28.64 per cent to 28.73 per cent. As they are not depicted in the Finance Accounts each year, there is lack of transparency in the actual outstanding borrowings of the Government at the end of year and hence true picture of the liability of the Government cannot be ascertained through books of accounts.

2.6.1.2 Composition of fiscal deficit and financing pattern

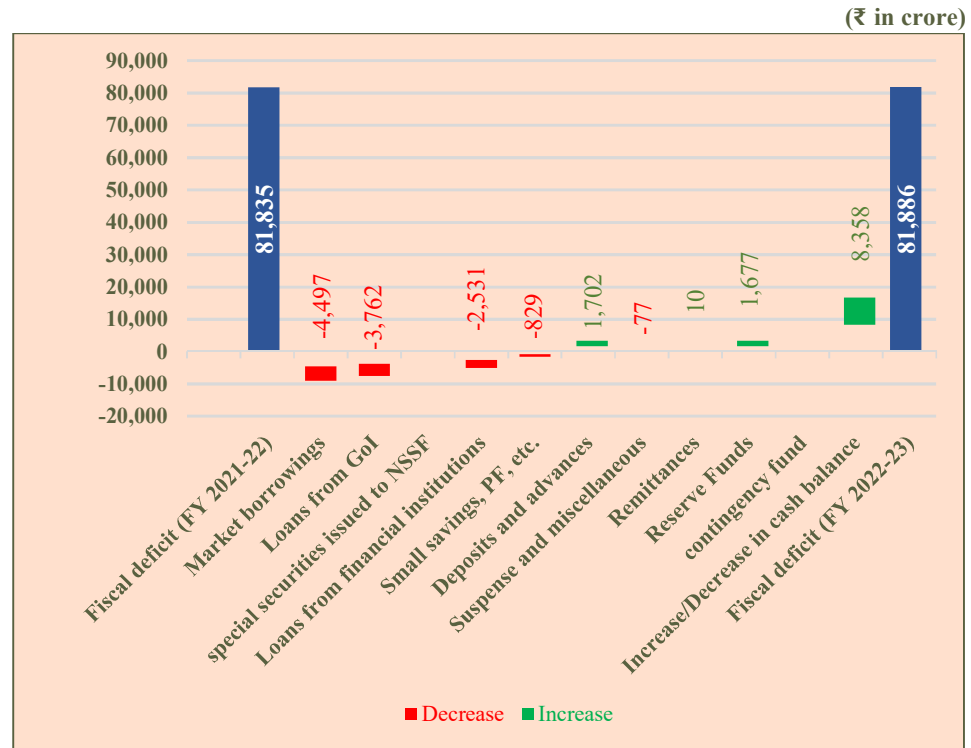
The components of Fiscal deficit and the financing pattern of the deficit is shown in **Table 2.31** and Financing of fiscal deficit expressed through a water fall Chart is shown in **Exhibit 2.20**.

Table 2.31: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
Composition of Fiscal Deficit		47,335	60,179	93,983	81,835	81,886
1	Revenue Deficit	23,459	35,909	62,326	46,538	36,215
2	Net Capital Expenditure	24,311	25,632	33,067	37,011	39,488
3	Net Loans and Advances	(-) 435	(-) 1,362	(-) 1,410	(-) 1,714	6,183
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	32,278	49,826	76,796	72,500	68,003
2	Loans from GOI	1,157	633	9,515	12,290	8,528
3	Special Securities issued to NSSF	(-) 1,777	(-) 1,803	(-) 1,803	(-) 1,803	(-) 1,803
4	Loans from Financial Institutions	1,215	252	2,130	1,761	(-)770
5	Small Savings, PF, etc.	2,450	2,365	2,877	2,680	1,851
6	Deposits and Advances	10,635	8,123	16,437	10,714	12,416
7	Suspense and Miscellaneous	(-) 3,037	5,682	(-) 6,981	(-) 43	(-) 120
8	Remittances	207	(-) 3	--	(-) 6	4
9	Reserve Fund	253	1,293	656	1,055	2,732
10	Contingency Fund	--	10	--	--	--
11	Overall Deficit	43,381	66,378	99,627	99,148	90,841
12	Increase/Decrease in cash balance	(-) 3,954	6,199	5,644	17,313	8,955
13	Gross Fiscal Deficit	47,335	60,179	93,983	81,835	81,886

(Source: Finance Accounts for the respective years)

Exhibit 2.20: Financing of fiscal deficit



(Source: Finance Accounts '2022-23)

The details of receipts and disbursements financing the fiscal deficit component-wise during the year is shown in **Table 2.32**.

Table 2.32: Receipts and Disbursements under components financing the fiscal deficit
(₹ in crore)

Sl. No	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	87,000	18,997	68,003
2	Loans from GOI	10,255	1,727	8,528
3	Special Securities issued to NSSF	0	1,803	(-) 1,803
4	Loans from Financial Institutions	3,806	4,576	(-) 770
5	Small Savings, PF, etc.	9,177	7,326	1,851
6	Deposits and Advances	98,511	86,095	12,416
7	Suspense and Miscellaneous	3,66,528	3,66,648	(-) 120
8	Remittances	0	(-) 4	4
9	Reserve Fund	5,126	2,394	2,732
10	Contingency Fund	--	--	--
11	Total / Overall Deficit	5,80,403	4,89,562	90,841
12	Cash balance	72,386	81,341	8,955
13	Total / Gross Fiscal Deficit	5,08,017	4,08,221	81,886

(Source: Finance Accounts '2022-23)

2.6.2 Debt profile: Maturity and Repayment

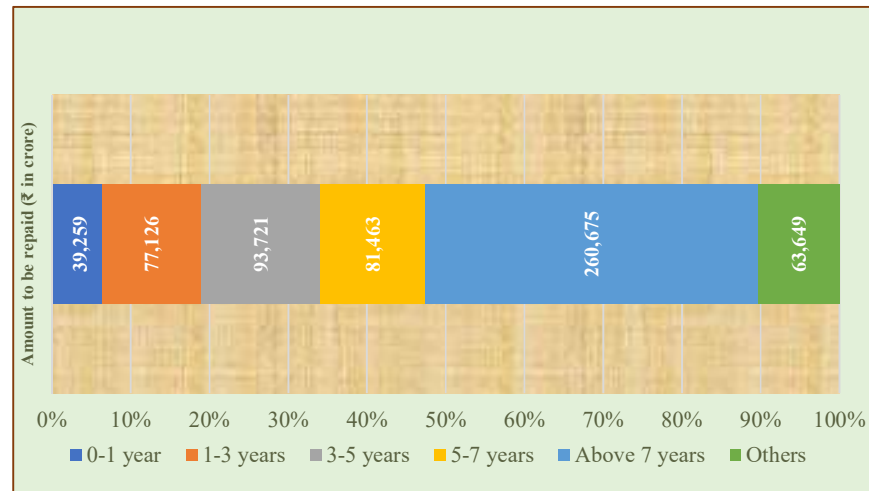
Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. The details of debt and the debt repayment period is shown in **Table 2.33** and **Exhibit 2.21**.

Table 2.33: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0-1 years	39,259	6.37
>1 to 3 years	77,126	12.52
>3 to 5 years	93,721	15.22
>5 to 7 years	81,463	13.23
Above 7 years	2,60,675	42.33
Others ⁷	63,649	10.33
Total	6,15,893	100.00

(Source: Finance Accounts)

Exhibit 2.21: Repayment Schedule of Public Debt



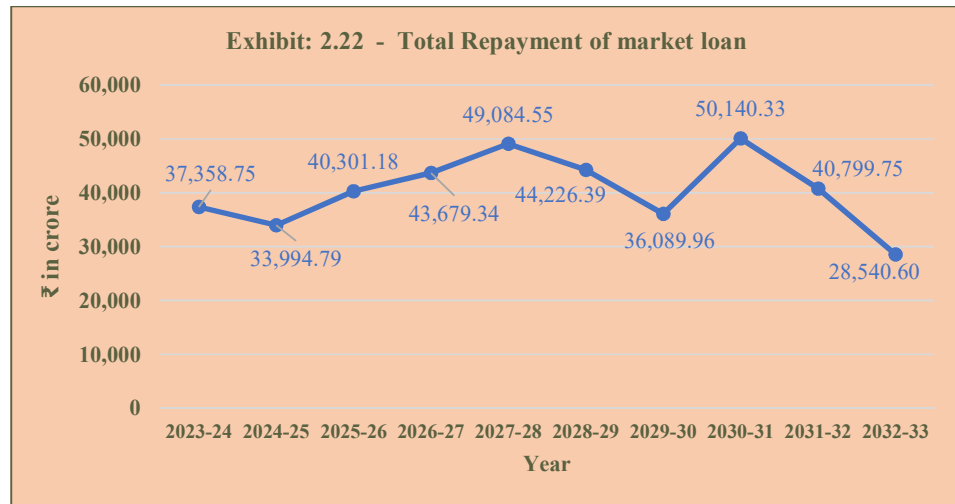
(Source: Finance Accounts)

The details of repayment of principal and interest of the outstanding market loan in the next 10 years (2023-24 onwards) is shown in **Table 2.34** and **Exhibit 2.22** below:

⁷ Payment schedule of this amount is not being maintained by the Accountant General (A&E).

Table 2.34: Repayment of Debt and interest

Year	Repayment of		
	Market loans	Interest	Total
2023-24	34,749.15	2,609.60	37,358.75
2024-25	31,450.00	2,544.79	33,994.79
2025-26	37,375.00	2,926.18	40,301.18
2026-27	40,610.00	3,069.34	43,679.34
2027-28	45,635.32	3,449.23	49,084.55
2028-29	40,905.50	3,320.89	44,226.39
2029-30	33,650.00	2,439.96	36,089.96
2030-31	46,977.00	3,163.33	50,140.33
2031-32	38,100.00	2,699.75	40,799.75
2032-33	26,500.00	2,040.60	28,540.60
Total	3,75,951.97	28,263.67	4,04,215.64



(Source: Finance Accounts '2022-23)

Over the period of the next ten years, the above trend indicates that the State's repayment of outstanding market loans along with interest shows a fluctuating trend. The State's liability on account of interest would be ₹28,263.67 crore and the liability towards principal amount of market loan would be ₹3,75,951.97 crore over the next 10 years.

2.7 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to service its debt in the current and future years. DSA considers the feasibility of meeting debt related financial obligations during a period beginning with the present and is a crucial aspect for assessing the financial health of an economy. A high level of debt raises number of challenges. A high debt level is generally associated with higher borrowing requirements and therefore, a higher risk of rollover crisis

(being unable to fulfil borrowing requirements or being able to do so at high interest rates).

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters; Domar approach and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

(A) Analysis of variations in debt sustainability indicators for the period 2018-19 to 2022-23 is shown below in **Table 2.35** and **Exhibit 2.23**.

Table 2.35: Trends in debt Sustainability indicators

Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
(1)	(2)	(3)	(4)	(5)	(6)
Outstanding Public Debt* (₹ in crore) (as on 31 st March of the year)	3,21,642	3,70,550	4,50,947	5,27,600	6,01,557
Rate of Growth of Outstanding Public Debt (per cent)	11.38	15.21	21.70	17.00	14.02
GSDP (₹ in crore)	16,30,209	17,43,144	17,88,074	20,71,286	23,64,514
Rate of Growth of GSDP (per cent)	11.27	6.93	2.58	15.84	14.16
Public Debt*/GSDP (per cent)	19.73	21.26	25.22	25.47	25.44
Average Interest Rate of Outstanding Public Debt (per cent) ^	7.97	7.71	7.54	7.26	7.12
Interest payments on Public Debt (₹ in crore)	24,310	26,690	30,983	35,521	40,182
Revenue deficit (-) / surplus (+) without interest payment (₹ in crore)	851	(-) 9,219	(-) 31,343	(-) 11,017	3,967
Revenue deficit (-) due to interest payment (₹ in crore)	(-) 23,459	(-) 35,909	(-) 62,326	(-) 46,538	(-) 36,215
Percentage of Interest payment to Revenue Receipt	13.99	15.29	17.80	17.12	16.48
Percentage of Debt Repayment to Debt Receipt	31.43	26.76	15.78	18.89	26.82
Net Debt available to the State# (₹ in crore)	8,562	22,218	49,414	41,132	33,775
Net Debt available as per cent to Debt Receipts**	17.86	33.27	51.14	42.67	33.42
Primary Deficit	18,578	28,199	57,486	40,271	34,975
Debt Stabilisation (Quantum spread [§] + Primary Deficit) (₹ in crore)	(-) 7,964	(-) 31,089	(-) 79,853	4,997	7,375

*Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government after excluding the back-to-back loan of ₹8,095 crore in 2021-22 and ₹6,241 crore in 2020-21.

#Net debt available to the State Government is calculated as excess of 'Public debt' receipts over Public debt repayment and interest payment on Public Debt and does not include back to back loan.

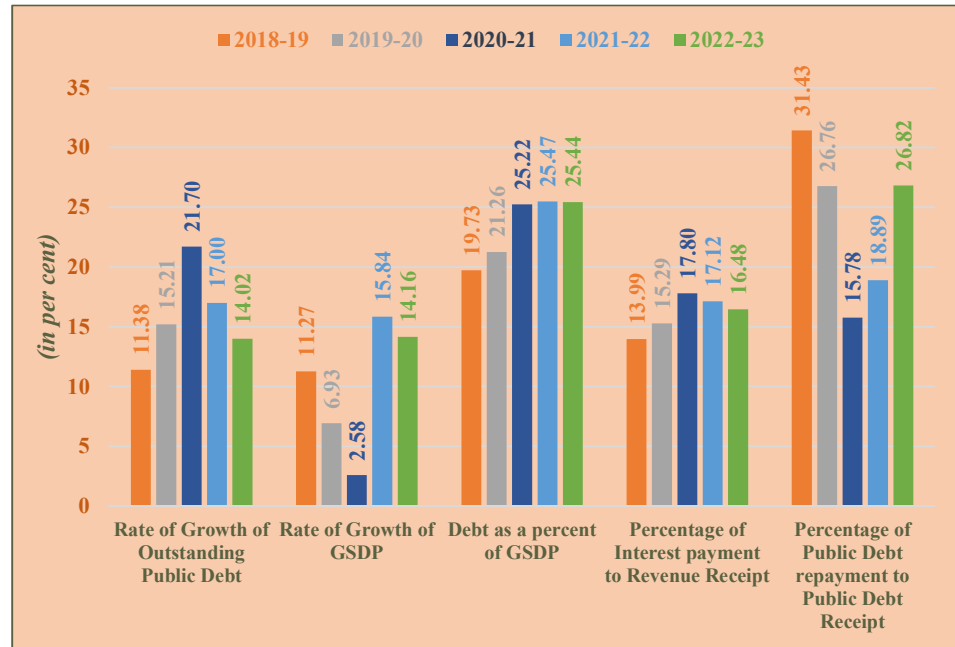
** Debt receipts do not include the back to back loan of 2020-21 and 2021-22

§ Quantum Spread = Debt X (GSDP growth rate – interest rate)/100

^Average Interest Rate of outstanding Public Debt = {Interest Payments on Public Debt / (Opening Balance of Public Debt + Closing Balance of Public Debt)/2}*100}

(Source: Finance Accounts for the respective years)

Exhibit 2.23: Trends of Debt Sustainability indicators



(Source: Finance Accounts for the respective years)

Effective outstanding public debt would be ₹6,01,557 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹6,241 crore and ₹8,095 crore given to the State, during 2020-21 and 2021-22 respectively, as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission and therefore, the ratio of effective outstanding public debt to GSDP would be 25.44 per cent.

- A sustainable fiscal policy is one where the debt to GSDP ratio is stable or declining over a period of time. However, from the above it could be seen that the debt to GSDP ratio was on an increasing trend till the previous year, marginally reduced during the current year. High debt to GSDP ratio means higher levels of debt which in turn leads to higher deficits.
- The ratio of interest payments on public debt to revenue receipts has decreased considerably to 16.48 per cent. If significant portion of borrowed funds are used for repayment of borrowings and interest thereon, the net debt available with the State for developmental activities is curtailed.

(B) An analysis on debt sustainability was carried out based on a study by E.D Domar⁸ [Domar 1944]. The Domar model states that the necessary premise

⁸ Domar model does not take into account maturity profile, composition, cost and risk characteristics of debt stock.

for ensuring stability of public indebtedness is that the interest rates for Government loans should not exceed the growth rate of GDP.

The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

$g-r$ (g – real economic growth rate; r – real interest rate)	$s < 0$ (primary deficit)	$s > 0$ (primary surplus)
$g - r > 0$ (strong economic growth)	Public debt as percentage of GSDP should converge to a stable level greater than zero	Public debt as percentage of GSDP should converge to a stable level less than zero leading to public savings.
$g - r < 0$ (slow economic growth)	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation

The results of applying the above parameters in the case of Tamil Nadu, are shown in **Table 2.36**.

Table 2.36: Debt Sustainability analysis based on Domar model

Year	Real Growth (g)	Real Interest (r)	$g - r$ (Domar Gap)	Primary Deficit (-)/ Surplus(+) (₹ in crore)	Remarks
2018-19	7.01	4.59	2.41	(-) 18,578	Public debt as percentage of GSDP should converge to a stable level greater than zero
2019-20	3.25	2.37	0.88	(-) 28,199	
2020-21	0.07	0.98	(-) 0.91	(-) 57,486	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.
2021-22	7.92	1.82	6.10	(-) 40,271	Public debt as percentage of GSDP should converge to a stable level greater than zero
2022-23	8.19	1.42	6.77	(-) 34,975	

Note: Real Growth rate calculated for GSDP at constant prices
Real Interest rate is the average interest rate adjusted for inflation of Tamil Nadu

The DOMAR analysis showed that the Domar gap ($g-r$) was positive during the period from 2018-19 to 2022-23, except in 2020-21. During the pre-COVID period i.e. 2018-19 and 2019-20, the real growth rate of the GSDP was 7.01 per cent and 3.25 per cent respectively and the Domar gap (express as $g-r$) remained positive but there was primary deficit in the State. Covid-19 affected the real growth rate of GSDP during 2020-21 and the Domar gap turned negative during the year. In the subsequent years (2021-22 and 2022-23), the Domar gap became positive along with primary deficit, which reflect that Public debt as a percentage of GSDP tends towards a stable value and is therefore sustainable. Depending on the stock of debt, it will either increase or decrease in time to reach a stable level greater than zero.

It may be mentioned that the sustainability of Public Debt will depend on whether the State economy maintains the real growth rate in the long run keeping the real interest rate under control.

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

The trends in the utilisation of borrowed funds during the period 2018-19 to 2022-23 is shown in **Table 2.37** and **Exhibit 2.24**.

Table 2.37: Utilisation of borrowed funds

(₹ in crore)

Year		2018-19	2019-20	2020-21	2021-22	2022-23
Total Borrowings (Public Debt)	A	47,936	66,774	1,02,867	1,04,485	1,01,062
Repayment of earlier borrowings (Principal) (percentage)	B	15,064 (31.43)	17,866 (26.75)	16,229 (15.78)	19,737 (18.89)	27,104 (26.82)
Net capital expenditure (percentage)	C	24,311 (50.72)	25,632 (38.39)	33,067 (32.14)	37,011 (35.42)	39,488 (39.07)
Net loans and advances (percentage)	D	435 (0.90)	1,362 (2.04)	1,410 (1.37)	1,714 (1.64)	(-) 6,183 (- 6.12)
Portion of Revenue expenditure met out of net available borrowings (percentage)	E = A-B-C-D	8,126 (16.95)	21,914 (32.82)	52,161 (50.71)	46,023 (44.05)	40,653 (40.23)

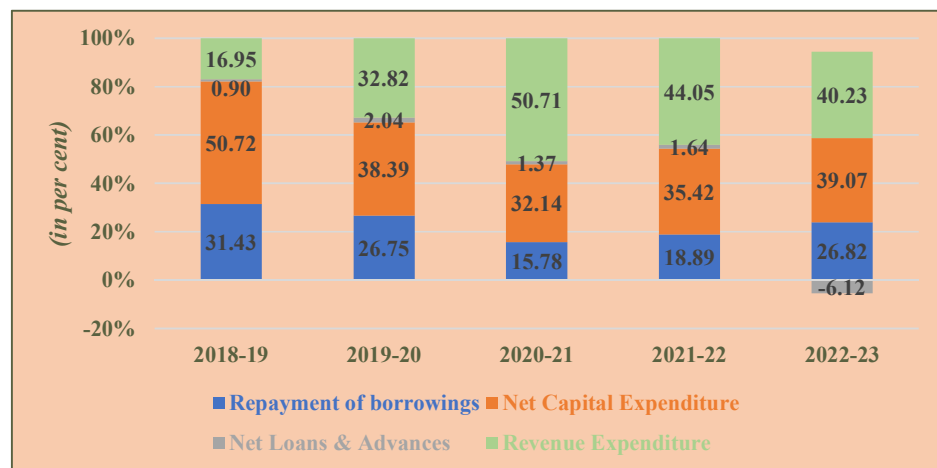
(Source: Finance Accounts for the respective years)

- 40.23 per cent of the borrowed funds was utilised for revenue expenditure.
- Borrowings decreased by 3.28 per cent during the year due to a steep increase (17.47 per cent) in revenue receipts.

As per the Finance Commission, States are being given revenue deficit grants to reduce and ultimately eliminate revenue deficit and to enable all borrowings to be used for capital expenditure. In 2021-22 and 2022-23, GoTN received post devolution revenue deficit grant of ₹3,010 crore in 2021-22 and ₹801 crore in 2022-23.

As per TNFR Act, revenue deficit should be eliminated by 2023-24. Though Revenue Deficit has been decreasing trend from 2021-22, the State may not adhere to the TNFR target of eliminating revenue deficit by 2023-24.

Exhibit 2.24: Trends of utilisation of borrowed funds



(Source: Finance Accounts for the respective years)

2.7.2 Status of Guarantees – Contingent Liabilities

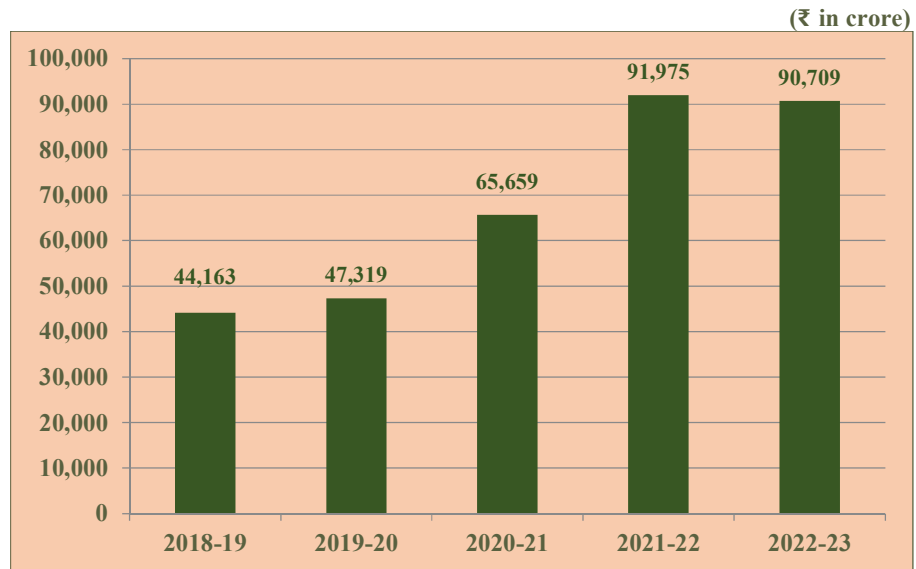
Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The State Governments have come out with legislations or instructions with regard to cap on the guarantees.

As per Article 293 of the Constitution of India, limits for giving guarantees by the State Government have to be fixed by the State Legislature. Tamil Nadu Fiscal Responsibility Act 2003, prescribes a cap on total outstanding guarantees to 100 *per cent* of total Revenue Receipts of the preceding year or 10 *per cent* of Gross State Domestic Product (GSDP), whichever is lower and cap on risk weighted guarantees to 75 *per cent* of total Revenue Receipts of the preceding year and 7.5 *per cent* of GSDP, whichever is lower.

The total outstanding guarantees of the State Government were ₹90,709.22 crore as on 31 March 2023. This constituted 43.72 *per cent* of the total revenue receipts of 2021-22 (₹2,07,492.40 crore) and 3.84 *per cent* of the GSDP (₹23,64,514 crore at current prices). No guarantee was invoked during the year. Further, as against the estimated receivable Guarantee Fees of ₹1,762.81 crore, Guarantee Fees received by the Government was ₹968.37 crore. Thus, there was a short collection of Guarantee Fees to the tune of ₹794.44 crore.

The details of outstanding amount of guarantees including interest for the period 2018-19 to 2022-23 is given below in **Exhibit 2.25**.

Exhibit 2.25: Guarantees given by the State Government



(Source: Finance Accounts for the respective years)

2.7.3 Management of Cash Balances

As per the agreement with the Reserve Bank of India, Tamil Nadu State has to maintain a minimum daily cash balance of ₹3.25 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made

good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for Ordinary Ways and Means Advances to the State Government is ₹3,601 crore with effect from 31 March 2022. The limit of Special ways and Means Advances is revised by the Bank from time to time. State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well.

The State Government maintained the minimum daily cash balance with the RBI during 2022-23 and no WMA/ SWMA/ OD was availed during the year.

The details of cash balance and their investments during the year 2022-23 is shown in **Table 2.38** below:

Table 2.38: Cash Balances and their investment

(₹ in crore)

	Opening balance on 1 April 2022	Closing balance on 31 March 2023
A. General Cash Balance		
Cash in treasuries	--	--
Deposits with Reserve Bank of India	266.95	(-) 59.17
Deposits with other Banks	--	--
Remittances in transit – Local	16.80	16.80
Total	283.75	(-) 42.37
Investments held in Cash Balance investment account	14,875.95	14,123.55
Total (A)	15,159.70	14,081.18
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	4.16	4.16
Permanent advances for contingent expenditure with department officers	7.59	7.35
Investment in earmarked funds	57,214.65	67,248.03
Total (B)	57,226.40	67,259.54
Total (A + B)	72,386.10	81,340.72
Interest realized	3,917.94	4,747.10

(Source: Finance Accounts'2022-23)

Cash Balances (and its investments) of the State Government at the end of the current year increased by ₹8,955 crore from ₹72,386 crore in 2021-22 to ₹81,341 crore in 2022-23.

The State Government has earned an interest of ₹130 crore during 2022-23 from the investments made in GoI Securities and Treasury Bills. Out of the investment of ₹67,248 crore in earmarked funds, ₹8,320.93 crore was invested

in the Consolidated Sinking Fund and ₹2,138.74 crore in Guarantee Redemption Fund at the end of the year.

The general cash balance would have gone negative had the entire budget provision of ₹3,94,255.72 crore was utilized without leaving the unspent (savings) provisions of ₹35,089.39 crore.

The trends of cash balance investment account of the Government during the period 2018-19 to 2022-23 are shown in **Table 2.39**.

Table 2.39: Cash Balance Investment Account (Major Head-8673)
(₹ in crore)

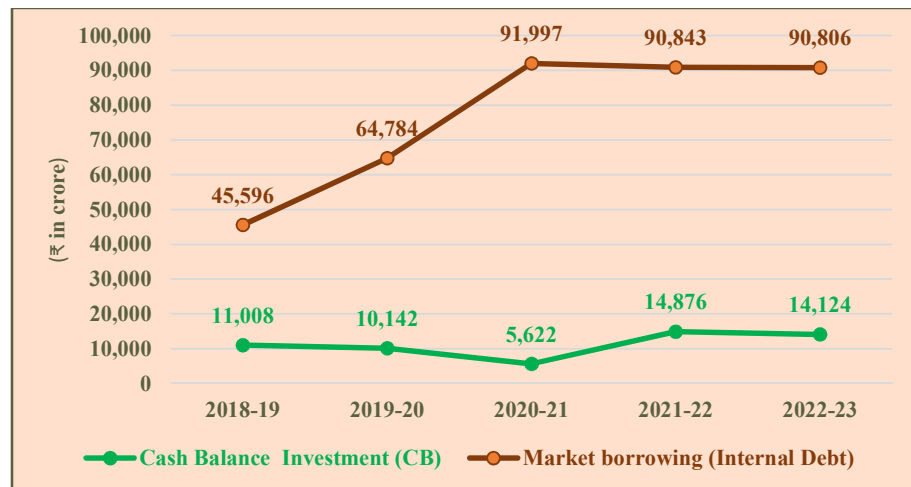
Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2018-19	18,585.03	11,008.09	(-) 7,576.94	729.20
2019-20	11,008.09	10,141.94	(-) 866.15	300.72
2020-21	10,141.94	5,622.30	(-) 4,519.64	214.51
2021-22	5,622.30	14,875.95	9,253.65	120.58
2022-23	14,875.95	14,123.55	(-) 752.40	130.32

(Source: Finance Accounts for the respective years)

The trend analysis of the cash balance investment of the State Government during 2018-23 revealed that the investment at the end of 2018-19, which was ₹11,008 crore, gradually reduced to ₹5,622 crore at the end of the 2020-21 and then further increased significantly to ₹14,124 crore at the end of March 2023. The Government paid interest at an average rate of 7.12 per cent towards outstanding public debt.

Exhibit 2.26 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2018-23. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

Exhibit 2.26: Market loans vis-à-vis Cash Balance



(Source: Finance Accounts for the respective years)

A positive 'net cash balance investment' denotes that during the month the Government had invested that amount in Treasury Bills (MH 8673) and a negative 'net cash balance investment' indicates that the Government has credited back into Government Account from the Treasury Bills by way of Maturity or Discount during the month.

General cash balance of ₹14,081 crore includes cash balance investment of ₹14,124 crore and Deposits with RBI and remittance in transit was (-) ₹43 crore.

2.8 Conclusion

State's Own Resources:

Own tax revenue: The annual growth rate of own tax revenue during 2022-23 was 22.27 per cent.

Own tax revenue as a percentage of GSDP of the State during 2022-23 was 6.35.

Non-tax revenue: The non-tax revenue of the State increased by ₹4,944 crore (40.80 per cent) in 2022-23 over the previous year.

State's performance in mobilization of resources: During the year, State's own tax revenue receipts fell short of the budget projections but exceeded the target fixed under XV FC while non-tax revenue receipts fell short of the target fixed under XV FC but exceeded the Budget projections.

(Paragraphs 2.3.2 and 2.3.4)

Revenue expenditure: During 2022-23, the revenue expenditure witnessed an increase of ₹25,934.06 crore (10.21 per cent) during the year as against an increase of 7.46 per cent during the previous year. As a percentage of GSDP the Revenue expenditure decreased from 12.26 per cent in 2021-22 to 11.84 per cent during the current year. There was short devolution of ₹461.26 crore to local bodies due to non-sharing of GST compensation.

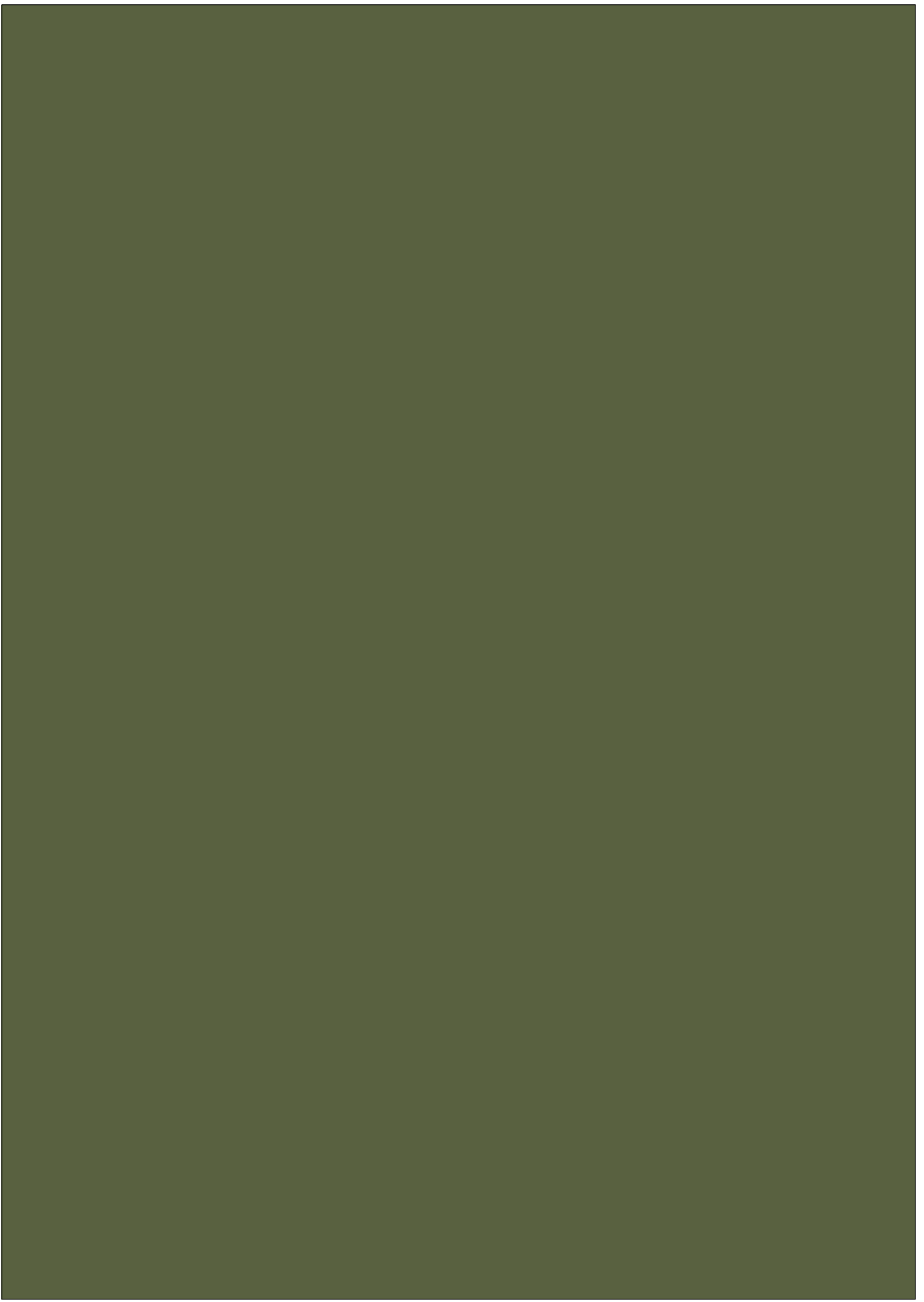
Capital expenditure increased by 6.81 per cent during the year. As a percentage of total expenditure, capital expenditure decreased by 0.46 per cent during the current year.

(Paragraphs 2.4.1 and 2.4.3)

2.9 Recommendations

- (i) The State Government should mobilise its resources to minimise dependence on borrowings.
- (ii) Committed expenditure such as salaries, pension and interest payments, which are on increasing trend, requires utmost attention of the State Government.

CHAPTER III
BUDGETARY
MANAGEMENT



CHAPTER III

BUDGETARY MANAGEMENT

3.1 Introduction

Effective financial Management ensures decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds. This chapter is based on the audit of Appropriation Accounts of the State. It reviews allocative priorities of the Government, reports on deviations from Constitutional provisions and highlights issues affecting transparency.

3.2 Budget process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)” is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹ of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

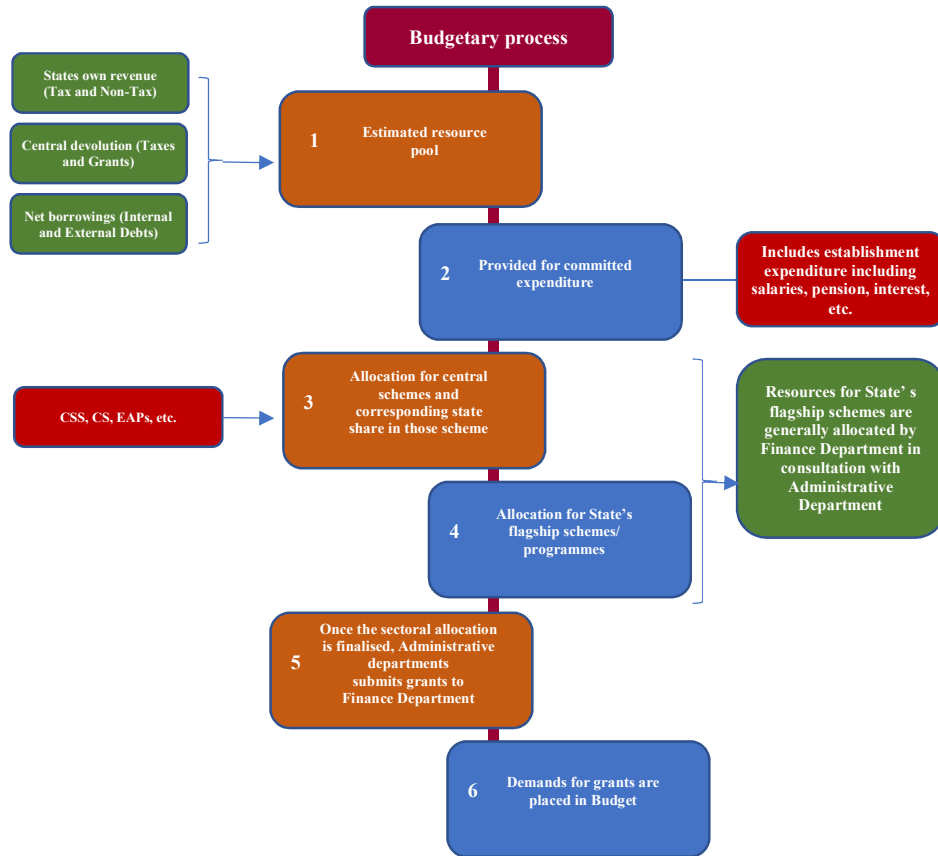
As per the Tamil Nadu Budget Manual, Finance Department frames Rules for the guidance of Estimating Officers and departments of the Secretariat in the preparation and examination of the budget estimates and the subsequent control over expenditure to ensure that it is kept within the authorised grants. The Finance Department consolidates the Estimates embodying the decision of Government and prepares the following:

- i) Summary statement of the financial position for the budgeted year;
- ii) Detailed Estimates of receipts; and
- iii) Statements of demands for grants followed by detailed estimates of expenditure.

These estimates include both voted and charged expenditure to be met from the Consolidated Fund of the State. A typical budget preparation process in the State is given in the flow chart below:

¹ **Charged Expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.) constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature.
Voted Expenditure: All other expenditure is voted by the Legislature.

Budgetary Process

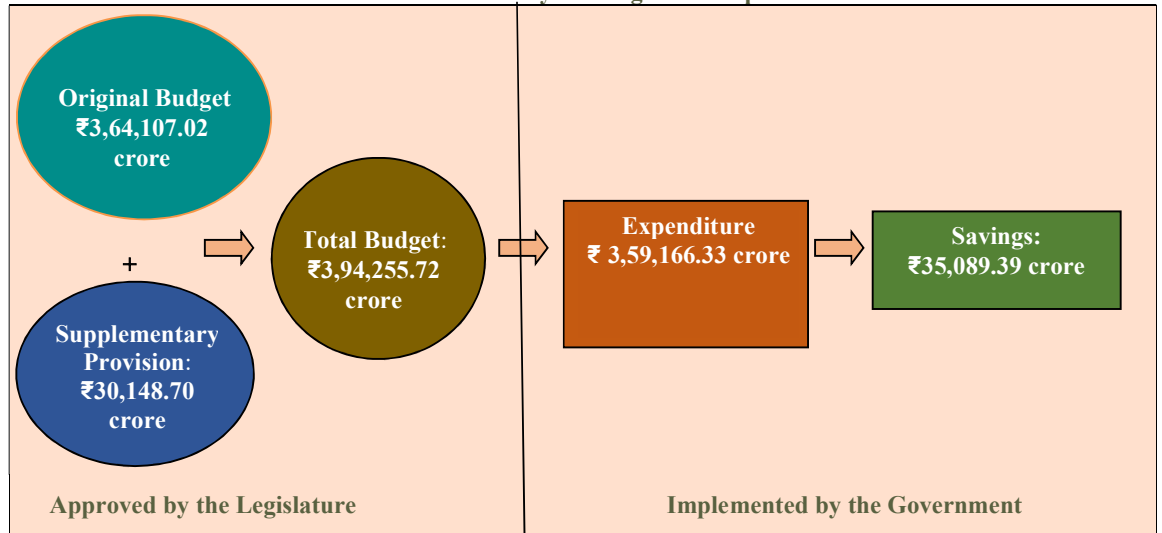


CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAP: Externally Aided Projects

The annual budget is tabled in the house of the State Legislature by the Finance Minister each year.

The total amount approved by the State Legislature including the original and supplementary budgets, expenditure and savings during 2022-23 is depicted in **Exhibit 3.1**.

Exhibit 3.1: Summary of Budget and Expenditure



3.3 Gender Budgeting

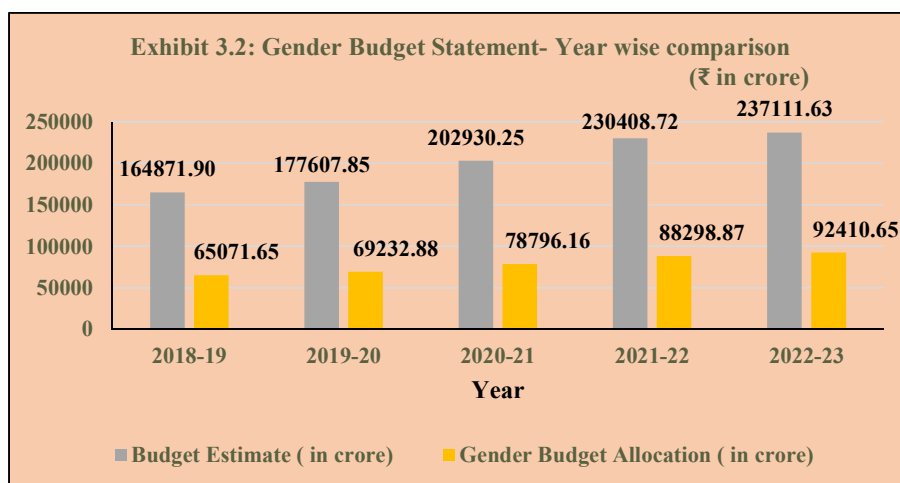
The Gender Budgeting Statement (GBS) (Statement 13) is a tool for gender mainstreaming which uses the budget as an entry point to apply a gender lens to the entire policy process.

Government of Tamil Nadu (GoTN) presents a GBS as part of annual budget document from the year 2018-19 onwards. However, the proposed Gender Budget Cells (GBC) were not established in all departments to facilitate the integration of gender analysis into the Budget. Only three departments (*viz.* Rural Development & Panchayat Raj, Agricultural and Farmers Welfare and Cooperation, Food and Consumer Protection) had so far created (September 2023) GBCs in their departments besides a nodal GBS in Finance Department.

The GBS presented by GoTN depicts the probable allocation for women in the total budget which are classified into three categories based on the percentage of allocation proposed for schemes benefiting women *viz.*, Part A (schemes that are specifically targeted for women with 100 *per cent* allocation), Part B (schemes that are beneficiary oriented wherein 40 *per cent* to 99 *per cent* of outlay benefits women) and Part C (other schemes and expenditure items of GoTN wherein at least 30 *per cent* of outlay is expected to be beneficial to women).

3.3.1 Overview of Gender Budget Statement 2022-23

The year wise comparison of Gender Budget Statement from 2018-19 to 2022-23 is given below in **Exhibit 3.2**.



The percentage of gender budget outlay over the budget estimate varies between 38.32 per cent (during 2021-22) and 39.47 per cent (during 2018-19) and marginally increased by 0.65 per cent in 2022-23 compared to previous year. Also, the percentage of allocation under Part A, B & C schemes falls within the prescribed limit during the years.

3.3.2 Analysis of Gender Budget Statement 2022-23

The details of number of schemes and amount allocated under each part in the GBS for the year 2022-23 is detailed below in **Table 3.1**:

Table 3.1: Category wise details of GBS 2022-23

(₹ in crore)

Parts of GBS	Financial Year 2022-23			
	No of Sectors	No of schemes	BE 2022-23	Amount included in GBS 2022-23
Part A	11	89	6,623.63	6,623.63
Part B	13	298	73,103.67	38,571.74
Part C	--	NA*	1,57,384.33	47,215.28
Total		410	2,37,111.63	92,410.65

* 23 Departments implementing the schemes

(Source: Gender Budget Statement 2022-23)

Among 11 sectors allocated under Part A, Social Welfare and Nutrition sector was allocated the maximum around 84.75 per cent and the maximum allocation was provided for the flagship scheme on 'Reimbursement of loss due to issue of free bus passes to women' with an allocation of ₹1,521.21 crore under Part A. Among 13 sectors under Part B, 'Education Sports and Culture' sector had the maximum allocation at around 20.36 per cent and among schemes, the maximum allocation of ₹3,750 crore was provided to 'Social Security Net-Food Security-PDS support' scheme under 'General Economic Services' sector of Part B.

Analysis of GBS for the year 2022-23 revealed the following.

- The GBS was not prepared as per the format prescribed by GoI in Statement No.13 as the actuals of the 2020-21, budget estimate and revised estimate of the previous year 2021-22 were not depicted in the GBS presented by GoTN. As a result, the actual expenditure on women and supplementary grants, if any provided for schemes included in GBS during the past years could not be ensured by Audit.
- Non-formation of GBCs in line departments contributed to non-preparation of GBS in a holistic manner by carrying out proper gender analysis of all schemes in all sectors as indicated below:
 - Non-allocation of funds to Handlooms and Textile sector in GBS in any Part even though Tamil Nadu ranked fourth in the State-wise list of number of women handloom workers as per 4th All India Handloom Census 2019-20.
 - Similarly, certain women-oriented schemes such as ‘*Pudhumai Penn Scheme/ Moovalur Ramamirtham Ammaiyaar* Higher Education Assurance Scheme’ under Grant No.45, ‘Wing for Crime against Women and Children’ under Grant No. 22 and ‘Providing Training and Incubation facility to Self Help Group women on Food Processing technology Schemes under State Innovation Fund’ under Grant No.42 were not included in GBS.
 - The percentage of allocation for ‘Agriculture and Allied Activities’ sector had reduced considerably from 7.03 *per cent* to 0.96 *per cent* during 2019-20 to 2022-23, despite this sector having the highest distribution of female workers with 62.9 *per cent* as per Annual Periodic Labour Force Survey Report 2021-22.

3.3.3 Withdrawal of provision under Part A schemes

The budget provision for five Part A schemes included in GBS 2022-23 were fully withdrawn, resulting in ‘Nil’ expenditure under the respective heads of account. Among these schemes two schemes *viz.*, *NIRBHAYA* fund (Grant No. 34) and *Mahila Shakthi Kendra* Scheme involved a budget provision of ₹71.37 crore and ₹9.38 crore respectively. *NIRBHAYA fund* scheme was a Centrally Sponsored Scheme (CSS) launched in eight selected Metropolitan cities in India with an objective to create a safe, secure and empowering environment for women in public places and to enable them to pursue all opportunities without the threat of gender-based violence and/or harassment. The *Mahila Shakthi Kendra* Scheme aimed to empower rural women through community participation and to facilitate inter-sectoral convergence of schemes and

programs meant for women. Both the schemes were funded in 60:40 ratio by GoI and GoTN. Withdrawal of the budget provisions under these schemes and the Nil expenditure established poor implementation of these nationally important schemes despite availability of funds.

3.3.4 Other audit observations

The list of 100 *per cent* women-oriented schemes under Part A, where the budget was less utilised than the provision as given in **Table 3.2**.

Table 3.2: Schemes under Part A, where budget was less utilised

(₹ in crore)				
Sl No.	Scheme	Budget Estimate	Actual Expenditure	Percentage of utilisation
1	Menstrual Hygiene Programme	115.01	79.66	69.26
2	Marriage Assistance Schemes	761.99	91.86	12.06
3	Dr.Muthulakshmi Reddy Maternity Assistance Scheme for the female members of below poverty line families for delivery	816.98	691.20	84.60
4	Indira Gandhi National Destitute Widow Pension Scheme	867.66	604.20	69.64
5	Social Security Net-Pension to Deserted Wives	174.83	143.80	82.25
6	Autonomous Colleges (Women)	2.17	1.31	60.37
7	Government Hospital for Women and Children, Chennai	44.93	38.42	85.51
8	Mother Teresa Women's University, Kodaikanal	16.50	12.60	76.36
9	Compensation for tubectomy	16.66	12.90	77.43
10	Muslim Women Society	4.13	2.49	60.29
11	Pension for poor old spinster	36.61	31.00	84.68

(Source: Gender Budget Statement and Appropriation Accounts '2022-23)

Audit observed that in respect of 'Menstrual Hygiene Programme', only 69.26 *per cent* of the budget was utilised during 2022-23. It is pertinent to mention that ₹147.65 crore, being the unspent balances under this scheme relating to previous years was brought into account during 2022-23. This established that the provision for this scheme has been underutilised consistently.

On being pointed out by Audit, the Director of Public Health and Preventive Medicines replied (November 2023) that due to non-availability of raw materials and transportation on account of COVID 19, the proper supply of sanitary napkins could not be made. The reply was not tenable as COVID 19 restrictions was relaxed during 2022-23.

Further, in respect of 12 schemes under Part A, only token budget provisions were being provided and the same was subsequently withdrawn. After leaving out these 12 schemes, the net total number of schemes covered under Part A would be 77 instead of 89. Details are enlisted under **Appendix 3.1**.

Audit observed that lack of formation of Gender Budget Cell in all State Government departments, the functioning of which helps in streamlining the policies/schemes/programmes based on the quantum of resources available to address the developmental needs of women resulted in underutilisation of budget provision and improper budgetary process.

3.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of voted² grants and charged³ appropriations for different purposes as specified in the schedules appended to the Appropriation Act. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. The Appropriation Accounts thus facilitate understanding of utilisation of funds and are, therefore, complementary to the Finance Accounts.

3.4.1 Summary of total provisions, actual disbursement and savings/excess during 2022-23

The summarised position of total budget provision and disbursements with its bifurcation into Grants/Appropriations during 2022-23 for 54 Grants/ two appropriations is given in **Table 3.3**.

Table 3.3: Number of Grants/Appropriations operated by the State in 2022-23
(₹ in crore)

Sl No.	Description	Total No. of Grants/Appropriations	Items of Expenditure Voted/Charged	Revenue	Capital	Budget Provision	Disbursements
A	Grants	54	Voted/Charged	54	47	3,16,485.72	2,84,514.73
B	Appropriations	2	Charged	1	1	77,770.00	74,651.61
Total (A+B)						3,94,255.72	3,59,166.33

(Source: Appropriation Accounts for the year 2022-23)

² Amounts voted by the State Legislature in respect of demands for grants for specific purposes.

³ Amounts directly charged to the Consolidated Fund of the State, which are not subject to the vote of the State Legislature.

3.4.2 Charged and Voted disbursements

The details of total voted and charged disbursement and savings/excess for the five-year period from 2018-19 to 2022-23 are given below in **Table 3.4**.

Table 3.4: Trend of Savings/Excess

(₹ in crore)

Year	Provisions			Disbursements			Net savings (-)	
	Voted	Charged	Total	Voted	Charged	Total	Voted	Charged
2018-19	2,21,168	46,825	2,67,993	2,03,324 (92)	44,846 (96)	2,48,170 (92.60)	(-) 17,844 (8)	(-) 1,980 (4)
2019-20	2,36,358	51,995	2,88,353	2,10,349 (89)	50,910 (98)	2,61,259 (90.60)	(-) 26,009 (11)	(-) 1,084 (2)
2020-21	2,82,839	56,133	3,38,972	2,40,033 (85)	53,720 (96)	2,93,753 (86.66)	(-) 42,806 (15)	(-) 2,413 (4)
2021-22	2,84,539	65,201	3,49,740	2,56,920 (90)	62,442 (96)	3,19,362 (91.31)	(-) 27,619 (10)	(-) 2,759 (4)
2022-23	3,15,645	78,611	3,94,256	2,83,715 (90)	75,451 (96)	3,59,166 (91.10)	(-) 31,930 (10)	(-) 3,160 (4)

Figures in parenthesis indicate *per cent of utilisation*
(Source: Appropriation Accounts for the respective years)

The Government spent 86.66 to 92.60 *per cent* of the budget provisions during the last five years. The total utilisation of voted grants was 90 *per cent* and charged appropriation was 96 *per cent* of the provision during the current year, with no change over the previous year.

3.4.3 Budget marksmanship

Budget Marksmanship is about examining the relations between the budget projections of revenue and expenditure against actual receipt and spending. The World Bank's Public Expenditure and Financial Accountability (PEFA) measures the Budget Reliability in terms of Aggregate Expenditure Outturn and Expenditure Composition Outturn.

3.4.3.1 Aggregate Expenditure Outturn

Aggregate Expenditure Outturn measures the extent to which the aggregate budget expenditure outturn/actual expenditure compares with the budget originally approved. This reflects the fiscal marksmanship or the accuracy of the forecast of revenue and expenditure during the year.

Table 3.5: Comparison between Original Budget and Actual expenditure

(₹ in crore)

Section	Original Budget	Actual Expenditure	Difference between the Actual Expenditure and Original Budget*	Percentage of deviation in actual expenditure with Original Budget
Revenue	2,87,886.95	2,85,028.80	(-) 2,858.15	(-) 0.99
Capital	43,072.81	39,772.32	(-) 3,300.48	(-) 7.66

* Excess of actuals over the original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

(Source: Appropriation Accounts for the year 2022-23)

In Revenue section, the overall deviation in Actual Expenditure compared with Original Budget was 0.99 per cent. This was due to deviation up to 25 per cent in 41 grants, more than 25 per cent and up to 50 per cent in eight grants, and more than 50 per cent and up to 100 per cent in six grants respectively.

In Capital section, the overall deviation in Actual Expenditure compared with Original Budget was 7.66 per cent. This was due to deviation up to 25 per cent in 13 grants, more than 25 per cent and up to 50 per cent in nine grants, more than 50 per cent and up to 100 per cent in six grants and more than or equal to 100 per cent in 15 grants respectively. The original provision given under five grants were surrendered and no expenditure incurred.

3.5 Audit of Appropriation

Audit of appropriation by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.5.1 Comments on integrity of budgetary and accounting process

3.5.1.1 Expenditure incurred without authority of law

Article 266 (3) of the Constitution of India prohibits withdrawal of money from the Consolidated Fund of the State unless relevant Appropriation Acts under Articles 204 and 205 of the Constitution of India are passed by the Legislature. However, it was noticed that in eight cases, a total expenditure of ₹40.09 lakh as detailed in **Table 3.6** was incurred through re-appropriation without provision either in Original or Supplementary stage and exceeded the limits

prescribed in the ‘New Service Rules’ constituting ‘New Service/New Instrument of Service’. Failure to observe the prescribed procedure had led to incurring of expenditure on the schemes without the authority of legislature.

Table 3.6: Expenditure based on irregular re-appropriation

(₹ in lakh)

Sl. No.	Grant No.	Head of Account	Provision made in Original and Supplementary Estimates	Provision made through Re-appropriation	Actual Expenditure
1	05	2401.00.104.AD	0	1.10	1.10
2	05	2401.00.107.JA	0	0.76	0.76
3	19	2210.01.001.AS	0	4.81	4.81
4	29	3452.01.101.PA	0	1.65	1.65
5	39	4210.02.103.JA	0	17.48	17.48
6	43	4202.01.202.JH	0	2.90	2.90
7	44	2851.00.102.MC	0	3.37	3.37
8	45	2235.02.103.UO	0	8.02	8.02
Total			0	40.09	40.09

(Source: Appropriation Accounts for the year 2022-23)

Audit observed that re-appropriation of funds to the Heads of Account without any provision in Original or Supplementary stage indicate defective budgeting process. Further, the expenditure was incurred without legislative authority and hence, was unconstitutional.

3.5.1.2 Drawal of funds to avoid lapse of budget grant

According to Para 178 of the Tamil Nadu Budget Manual, it is irregular to draw money from Government account without immediate requirement. Further, as per Article 39 of the Tamil Nadu Financial Code Volume-I, all appropriations lapse at the close of the financial year and no money should be drawn from the treasury in order to prevent it from lapsing and use it for expenditure after the end of year.

During the year, it was noticed that the amounts transferred to DDO’s Bank Account, under the heads of account as shown in **Table 3.7** were treated as expenditure in the Appropriation Accounts, though the unspent amount (₹4.59 crore) after actual expenditure are lying in DDO’s Bank Account, thereby violating the codal provisions and inflating the revenue expenditure of the department to that extent. This is indicative of the fact that the money was drawn without requirement and it was drawn to avoid lapse at the close of the financial year.

Table 3.7: Unspent amount in the Bank Account as on 31 March 2023

(₹ in lakh)

Sl. No.	Name of DDO	Grant No.	Head of Account	Amount Transferred during 2022-23	Amount actually spent during 2022-23	Unspent amount in the Bank account as on 31 March, 2023
1	Directorate of Technical Education (Science City)	20	3425.60.200.JQ	165.40	158	7.40
2	Directorate of Technical Education (Tamil Nadu Science and Technology Centre)	20	3425.60.200.AF	381.99	306.86	75.13
3	Director of Town and Country Planning	26	2217.05.191.SC	346.38	83.1	263.28
			2217.05.800.PD	222.57	132.57	90
4	Chennai Unified Metropolitan Transport Authority	26	3055.00.800.AN	808	784.84	23.16
Total				1,924.34	1,465.37	458.97

(Source: Appropriation Accounts for the year 2022-23)

3.5.1.3 Misclassification of Expenditure

Misclassification of expenditures and receipts has a great impact on the integrity of the financial statements. Annual Financial Statement distinguishes expenditure on revenue account from other expenditure. Classification of expenditure of revenue nature as capital expenditure or vice-versa, results in overstatement/understatement of revenue expenditure and revenue deficit/surplus.

Incorrect booking of expenditure

There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure.

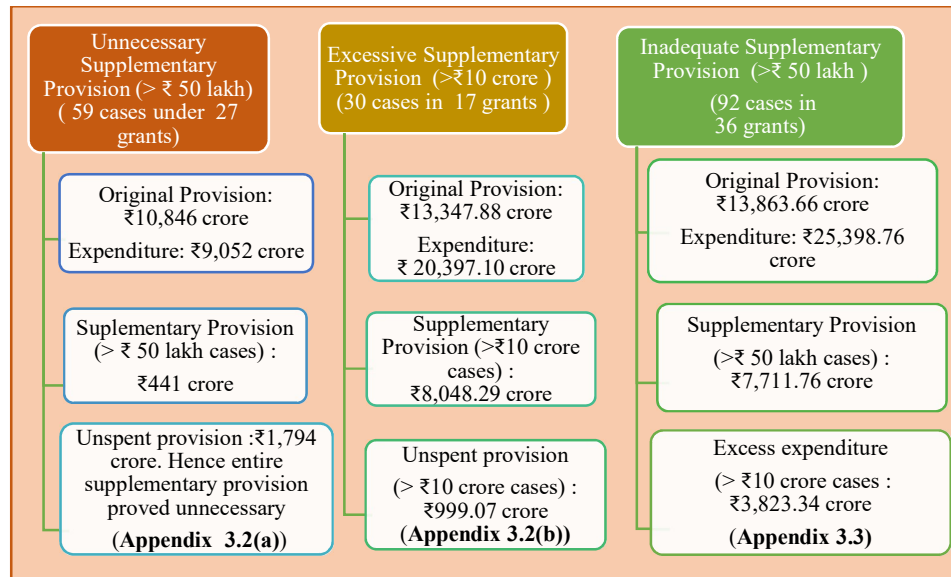
During the year, capital expenditure of an amount of ₹5.74 crore booked under the Major Head 5054 was to be transferred to ‘State Infrastructure and Amenities Fund’. Instead, due to misclassification, the sum of ₹5.74 crore was transferred from Major Head 2217 to the ‘State Infrastructure and Amenities Fund’ as ‘Expenditure met from Reserve Fund’. This had resulted in understatement of Revenue Expenditure to that extent.

3.5.1.4 Unnecessary or excessive Supplementary grant

During 2022-23, against the original budget provision of ₹3,64,107.02 crore and supplementary provision of ₹30,148.70 crore, only an expenditure of ₹3,59,166.33 crore was incurred, leading to a net savings of ₹35,089.39 crore.

Test checked cases of supplementary provisions showed instances of unnecessary/excessive/inadequate provisions (**Appendix 3.2 (a), Appendix 3.2 (b) and Appendix 3.3**) as detailed in **Exhibit 3.3**.

Exhibit 3.3: Unnecessary/excessive/inadequate supplementary provision



From the above, it was noticed that there were instances where supplementary provision provided were unnecessary as original provisions were enough to take care of the expenditure. Further, it was also noticed that under certain heads of accounts, the total provision including supplementary provision was insufficient resulting in excess expenditure.

3.5.1.5 Unnecessary/excess/insufficient re-appropriation of funds

Apart from supplementary grant, re-appropriation can be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation.

However, considerable re-appropriation from one sub-head to another must always be avoided and the process of re-appropriation should not be merely used to rectify omissions and lack of foresight.

Audit scrutiny revealed that there were unnecessary / excess / insufficient re-appropriations made indicating inaccurate and unrealistic budgeting, thereby depriving funds for the other needy Schemes as detailed in **Table 3.8**.

Table 3.8: Injudicious re-appropriations made during 2022-23

Sl No	Description	No. of HoA	Original	Supplementary	Re-appropriation	FMA (O+S+R)	Amount	Reference Appendix No.
							(₹ in crore)	
I Excessive/Insufficient re-appropriation of funds								
1	Savings greater than ₹2 crore	50	42,357.27	584.73	(-) 14,49.37	41,492.63	2,014.74	3.4
2	Excess greater than ₹2 crore	25	31,503.01	0	4,797.02	36,300.04	427.04	3.4
II Unnecessary re-appropriation of funds								
3	Provision made in re-appropriation where expenditure was either nil or within the original and supplementary provisions	17	154.56	6.17	11.06	171.78	11.06	3.5
III Injudicious re-appropriation of funds								
4	Provision of more than ₹ 100 crore fully withdrawn through re-appropriation	24	12,461.23	0	(-) 12,461.23	0	12,461.23	3.6
5	Withdrawal of entire provision of interest liability (2049-60-101) on deposits under MH 8342	9	29.09	0	(-) 29.09	0	29.09	3.7
6	Expenditure incurred without Final Modified Appropriation	14	1,718.41	0.00*	(-) 1,718.41	0	141.98	3.8

*Token provision of ₹10,000

(Source: Detailed Appropriation Accounts for the year 2022-23)

Under six heads of account as detailed in **Table 3.9**, only token provisions were made in supplementary estimate. An additional provision to the tune of ₹107.08 crore were made in first re-appropriation and the entire provision was subsequently withdrawn in second re-appropriation. However, an expenditure of ₹59.52 crore was incurred under these heads of account without any provision. Further scrutiny revealed that expenditure was incurred during March 2023 in respect of Sl.No.1 and for items under Sl. No. (2) to (6) during October 2022 and February 2023. The withdrawal of entire provision during second re-

appropriation in March 2023, had resulted in expenditure without Final Modified Appropriation (FMA).

Table 3.9: Injudicious re-appropriations made under Schemes where token provision made in supplementary

(₹ in lakh)

Sl No.	Grant	Head of Account	Supple- mentary I	Supple- mentary II	Provision in supplementary estimates	Re-Appro- piation I	Re-Appro- piation II	Actual Expenditure
1.	34	2217.05.191.AJ	0.00	0.01	Token provision made towards Grants to 28 newly upgraded Municipalities (Each 2 crore) for creation of basic Infrastructure facilities.	5,599.99	(-) 5,600.00	5,600.00
2.	05	2408.01.103.AD	0.01	0.00	Token provisions made	52.83	(-) 52.84	52.83
3.	05	2408.01.103.UA	0.01	0.01	Pradhan Mantri Formalization of Micro	3,993.03	(-) 3,993.05	245.76
4.	05	2408.01.793.AA	0.01	0.00	Food Processing Enterprises Scheme in	1.13	(-) 1.14	1.14
5.	05	2408.01.793.UA	0.01	0.01	Tamil Nadu during the year	1,010.88	(-) 1,010.90	45.18
6.	05	2408.01.794.UA	0.01	0.01	2022-2023	50.53	(-) 50.55	6.70
			0.05	0.04	Total	10,708.39	(-) 10,708.48	5,951.61

(Source: Detailed Appropriation Accounts for the year 2022-23)

There are 63 instances where provisions to the tune of ₹483.76 crore were made through the first re-appropriation and an amount of ₹502.63 crore including the provision made in the Original/Supplementary estimates were subsequently withdrawn in the second re-appropriation which resulted in 'nil' expenditure as detailed in **Appendix 3.9**.

Thus, from the above, it is seen that there is a clear lack of procedure to ascertain the necessity and quantum of re-appropriation leading to unnecessary re-appropriations resulting in unnecessary savings / surrenders at the end of the year.

Further, detailed scrutiny of all the re-appropriation orders issued by the Finance Department revealed that in respect of 10,436 out of 25,204 items (41.41 per cent), no valid reasons were given for additional provisions/ withdrawal of provisions and only vague expressions such as 'actual requirement', 'lesser/higher requirement', 'based on actuals', etc., was given, which is in violation of Paragraph 151 (ii)⁴ of the Tamil Nadu Budget Manual.

Thus, the injudicious re-appropriations at various stages and incurring expenditure without provisions, clearly indicate the weak internal controls/monitoring mechanism at both the budget allocation levels and at the

⁴ As per Paragraph 151(ii) of the Tamil Nadu Budget Manual, the reasons for the additional expenditure and the savings should be explained clearly. Vague expressions such as "based on actuals", "based on progress of expenditure", etc, should be avoided.

re-appropriation stage. Hence, due to lack of procedure to ascertain the necessity and quantum of re-appropriation has resulted in unnecessary re-appropriations which in turn leads to unnecessary savings / surrenders at the end of the year which is indicative of unrealistic budgeting.

3.5.1.6 Provision met only through re-appropriation of funds but ‘nil’ expenditure

In seven cases as detailed in **Table 3.10**, provisions were made only through re-appropriation to the tune of ₹403.31 lakh, but no expenditure was made in these schemes.

Table 3.10: Provision only by re-appropriation but nil expenditure

(₹ in lakh)

Sl. No.	Grant No.	Head of Account	Provision made through Re-appropriation
1	04	2225.02.796.AE	190.00
2	16	7610.00.202.AA	7.28
3	16	7610.00.202.AB	3.11
4	16	7610.00.204.AA	2.14
5	41	2235.60.102.BL	0.16
6	47	2250.00.102.AC	200.56
7	54	2406.01.102.PF	0.06
Total			403.31

(Source: Appropriation Accounts for the year 2022-23)

Thus, unnecessary provisions were made in the re-appropriation without ascertaining the actual requirement.

3.5.1.7 Unspent amount and surrendered appropriations and/or large savings / surrenders

The golden rule for all the Estimating Officers should be to provide in the budget, everything that can be foreseen and to provide only as much as is necessary. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised. Surrenders are being made generally in the month of March and a careful study of figures of the expenditure incurred and watch over previous month's expenditure should enable the Controlling Officer to fix upon his final requirements with a reasonable degree of exactness. No savings shall be held in reserve for possible future excesses.

The instances of huge savings and surrenders are discussed in the succeeding paragraphs.

(a) Grants having large savings during 2022-23.

Audit observed that in 34 cases, there were savings of above ₹100 crore amounting to ₹33,183.15 crore across various grants as detailed in **Appendix 3.10**. The details of Grants/Appropriations, where provision is more than ₹10 crore, with Budget utilisation less than 50 *per cent* during the year is given in **Table 3.11**.

Table 3.11: Grants/ Appropriations greater than ₹10 crore where utilisation of budget was less than 50 *per cent*

(₹ in crore)

Sl. No.	Grant Number and Description	Total provision	Expenditure	Percentage of utilisation
Revenue				
1	31 - Information Technology Department	199.20	90.03	45.20
2	53 - Department of Special Programme Implementation	56.05	6.15	10.97
Capital				
3	14 - Energy Department	581.24	57.99	9.98
4	16 - Finance Department	740.65	65.20	8.80
5	22 - Police (Home, Prohibition and Excise Department)	200.00	73.17	36.59
6	43 - School Education Department	544.96	217.54	39.92
7	45 - Social Welfare and Nutritious Meal Programme Department	54.04	23.26	43.04
Loans				
8	14 - Energy Department	1,843.78	379.60	20.59
9	16 - Finance Department	128.97	57.08	44.26
10	22 - Police (Home, Prohibition and Excise Department)	21.15	9.21	43.55

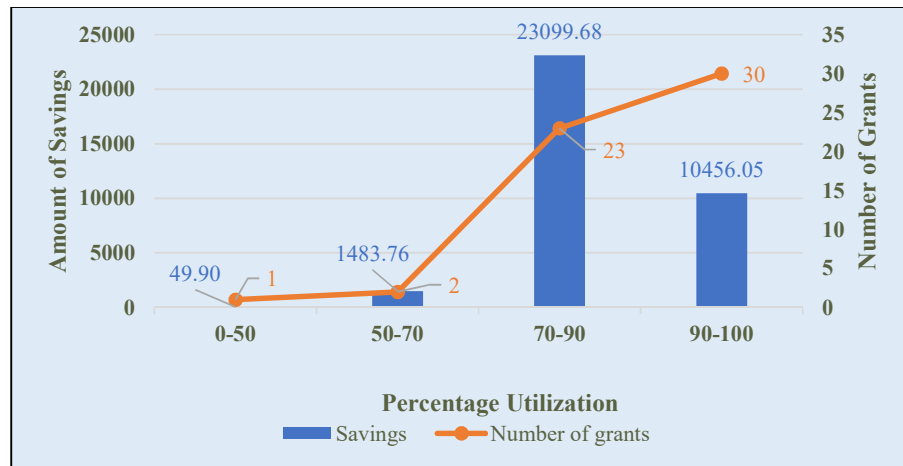
(Source: Appropriation Accounts for the year 2022-23)

It was noticed that utilisation was less than 10 *per cent* of the provision made in two cases.

Details of grants grouped by the percentage of utilization along with the total savings during 2022-23 has been shown in **Exhibit 3.4**.

Exhibit 3.4: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with the total savings

(₹ in crore)



Thus, huge saving is indicative of defective budgeting as well as shortfall in performance of Grant or Appropriation.

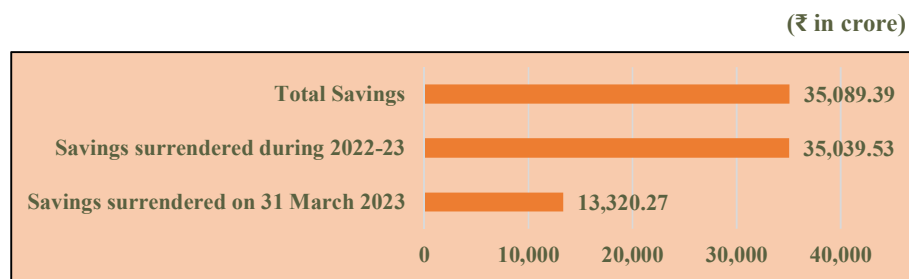
(b) Surrender of savings

As per Paragraph 140 of the Tamil Nadu Budget Manual, the spending departments are required to surrender the grants/appropriations or a portion thereof to the Finance Department as and when savings are anticipated.

During the year, out of total savings of ₹35,089.39 crore, an amount of ₹35,039.53 crore was surrendered. Out of the ₹13,320.27 crore (Net) surrendered on the last day (31 March 2023) as detailed in **Exhibit 3.5**, 89 cases amounting to ₹12,979.70 crore (**Appendix 3.11**) were in excess of over ₹10 crore indicating inadequate financial controls.

Further, in respect of surrender more than savings, the departments could not know the exact amount of savings which is to be surrendered at the end of the financial year during re-appropriation. Under 24 voted grants and one charged appropriation, savings of more than ₹one crore amounting to ₹632.68 crore was not fully surrendered as given in **Appendix 3.12**. In respect of seven Grants/Appropriations under Revenue Account, 10 Grants under Capital Account and three Grants under Loan Account, surrenders were made more than the savings as listed in **Appendix 3.13**. This indicates that the Finance Department has no proper control over the finances of the State even after the implementation of IFHRMS.

Exhibit 3.5 : Savings and surrenders for the year 2022-23



(c) Budget Utilisation

The distribution of the number of grants / appropriations grouped by percentage of utilisation and total savings in each group is given in **Table 3.12** below:

Table 3.12: Utilisation of Grants / Appropriations

Percentage utilisation	0 to 50 per cent	50 to 70 per cent	70 to- 90 per cent	90 to 100 per cent
Number of Grants	1	2	23	30
Saving (₹ in crore)	49.90	1,483.76	23,099.68	10,456.05

(Source: Appropriation Accounts for the year 2022-23)

(d) Persistent Savings

Under 26 Grants/Appropriations, there were persistent savings of more than five per cent of the total grant during the last five years as indicated in **Appendix 3.14**. During 2022-23, the percentage of savings under Revenue Section ranged from 5.85 per cent to 54.80 per cent and Capital Section ranged from 8.51 per cent to 91.20 per cent respectively.

As may be noted from the **Appendix 3.14**, there was a persistent savings of more than 91 per cent under Capital Section during all the past five years in Grant 16 - Finance Department. It was noticed that under the Head of Account: '4070-00-800-KF – Transfer to Tamil Nadu Infrastructure Development Fund (TNIDF)', the huge amounts provided were either partially or fully withdrawn through re-appropriation during the past nine years, as shown below in **Table 3.13**.

Table 3.13: Provision and re-appropriation under Tamil Nadu Infrastructure Development Fund

(₹ in crore)

Details	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Provision	2,000	2,000	2,000	2,000	500	500	500	500	500
Re-appropriation	(-)2,000	(-)1,980	(-)1,970	(-)2,000	(-)499	(-)498	(-)500	(-)457	(-)500

(Source: Appropriation Accounts for the respective years)

It could be seen from the above table that the entire provisions were made consistently during all the years in the original budget stage and withdrawn at the re-appropriation stage. The above lapses were being continued despite being pointed out by Audit in the previous year audit report for the year ending March 2022.

In reply (October 2023), the Tamil Nadu Infrastructure Development Board (TNIDB) stated that the financial assistance for Infrastructure projects would be considered only after approval of TNIDB and subsequent tendering of the projects. They further stated that many of the projects were at preliminary stage and the necessity for seeking finance assistance does not arise and the funds were surrendered during the past years. The reply also stated that TNIDB would seek funds from Government only after exhausting their funds.

It is evident from the reply that budget provision was being made every year without ascertaining the actual requirement. The Government should consider the previous year's surrenders and estimate the actual requirement of transfer. In such situations, Government could have made a token provision at the Budget Estimate stage instead of making huge provisions.

Thus, improper budgeting without analysing the actual requirements had resulted in excess provisions which led to subsequent withdrawal through Re-appropriation thereby depriving the other schemes / departments for utilising it during that year.

3.5.1.8 Excess expenditure and its regularisation

As per Article 205 (1) (b) of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the above Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Committee on Public Accounts (PAC).

(a) Regularisation of excess expenditure

Excess expenditure of ₹2,854.07 crore relating to 2014-22 was yet (September 2023) to be regularised by the State Legislature as detailed below in **Table 3.14**.

Table 3.14: Regularisation of excess expenditure of previous years

Year	Grant No./Appropriation	Amount of excess required to be regularised (₹ in crore)	Status of regularisation
(1)	(2)	(3)	(4)
2014-15	10, 16, 23,30, 32, 35, 36, 40, 43, 45	78.55	Recommended by PAC for regularisation vide 82 nd PAC Report placed in the Legislative Assembly on 12 January 2023
2015-16	19, 23, 30, 39, 47, 49	82.16	
2016-17	10, 12, 17, 21, 32, 39, 40	167.16	17 Grants and 6 Appropriations pertaining to the years 2016-17, 2017-18 and 2018-19 were taken up by PAC for consideration on 20.09.2023 and PAC's recommendations are yet to be received.
2017-18	06, 10, 13, 19, 21, 24, 40, 41, 52	77.55	
2018-19	10, 15, 27, 37, 40, 42, 43	1,480.54	
2019-20	13, 40, 41, 43, 48	942.00	
2020-21	27	20.87	Explanatory Notes has been received for the Grant and yet to be taken up for consideration by PAC.
2021-22	34, 35, 44, 51	5.24	Explanatory Notes have not been received for all the four Grants.
	Total	2,854.07	

(Source: Appropriation Accounts)

During the year 2022-23, an excess amount of ₹0.50 lakh had been incurred in Grant No. 51 – Relief on account of natural calamities under Revenue section (charged) due to mis-classification. Further, incurring expenditure in excess of provision without regularisation in the legislature is in violation to Article 205 (1) (b) of the Constitution of India.

3.5.2 Comments on effectiveness of budgetary and accounting process

3.5.2.1 Budgetary projection and gap between expectations and actuals

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive the funds of other departments, which they could have utilised.

Summarised position of actual expenditure *vis-à-vis* Budget (Original/ Supplementary) provision during 2022-23 (Voted and Charged) is given below in **Table 3.15**.

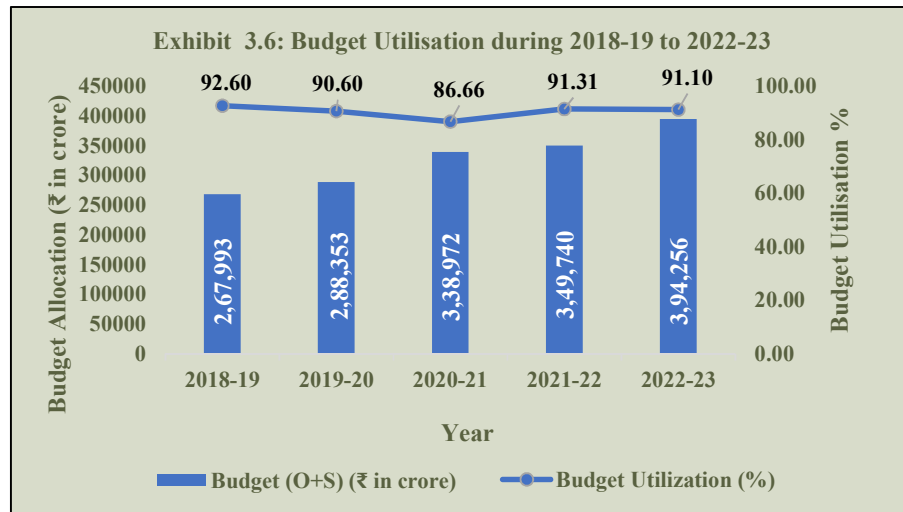
Table 3.15: Actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)

Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Net Saving (-)	Amount surrendered	Amount surrendered on 31 March	Percentage of savings surrendered
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = ((7)/(6)) x 100
Voted								
I Revenue	2,36,831.52	21,306.73	2,58,138.24	2,36,906.17	(-) 21,232.07	(-) 21,077.90	(-) 10,035.41	99.27
II Capital	43,067.80	5,201.19	48,269.00	39,548.12	(-) 8,720.88	(-) 8,758.44	(-) 2,746.43	100.43
III Loans and Advances	6,019.61	3,218.03	9,237.63	7,260.82	(-) 1,976.81	(-) 1,975.57	(-) 277.20	99.94
Total Voted	2,85,918.93	29,725.95	3,15,644.87	2,83,715.11	(-) 31,929.75	(-) 31,811.91	(-) 13,059.04	99.63
Charged								
IV Revenue	51,055.43	191.88	51,247.31	48,122.62	(-) 3,124.69	(-) 3,192.73	(-) 249.57	102.18
V Capital	5.00	230.87	235.87	224.20	(-) 11.67	(-) 11.66	(-) 11.66	99.91
VI Public Debt-Repayment	27,127.67	0.00	27,127.67	27,104.39	(-) 23.28	(-) 23.23	0.00	99.79
Total - Charged	78,188.10	422.75	78,610.85	75,451.21	(-) 3,159.64	(-) 3,227.62	(-) 261.23	102.15
Appropriation to Contingency Fund (if any)								
Grand Total	3,64,107.03	30,148.70	3,94,255.72	3,59,166.32	(-) 35,089.39	(-) 35,039.53	(-) 13,320.27	99.86

(Source: Appropriation Accounts for the year 2022-23)

The following Exhibit 3.6 shows the Budget utilisation for the period from 2018-19 to 2022-23.



(Source: Appropriation Accounts for the year 2022-23)

The percentage of utilisation decreased marginally by 0.21 per cent during the current year and stood at 91.10 per cent.

A summarised position of total budget provision, disbursement and saving/excess in 54 Grants and two appropriations with its further bifurcation into voted/charged during the year 2022-23 is given below in Table 3.16.

Table 3.16: Summarised position of Budget

(₹ in crore)							
Total Budget Provision		Disbursements		Savings (-)		Excess (+)	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
3,15,644.88	78,610.85	2,83,715.11	75,451.22	(-) 31,929.76	(-) 3,159.64	--	--*

* ₹ 0.50 lakh: This excess happened due to misclassification of a Voted expenditure under Grant 51 - 2245-80-800-AH as Charged expenditure under 2245-02-101-AB.

(Source: Appropriation Accounts for the year 2022-23)

The overall savings seen from above works out to ₹35,089 crore. It is also pertinent to mention here that the actual receipt in the Consolidated Fund is ₹11,685 crore less than the budgeted receipt, and the actual expenditure is ₹6,519 crore less than the budgeted expenditure. This had led to an excess expenditure of ₹7,929 crore, which was met from the Public Account. The savings worked out here as ₹35,089 crore is actually a notional savings, which had happened due to unnecessary supplementary budget.

An amount of ₹35,039.52 crore was surrendered in the month of March 2023. Out of this, an amount of ₹13,320.27 crore (38.01 per cent) was surrendered on the last day i.e., 31 March 2023 as discussed in **Para 3.5.1.7(b)**. This indicates lack of effective budgeting and expenditure planning.

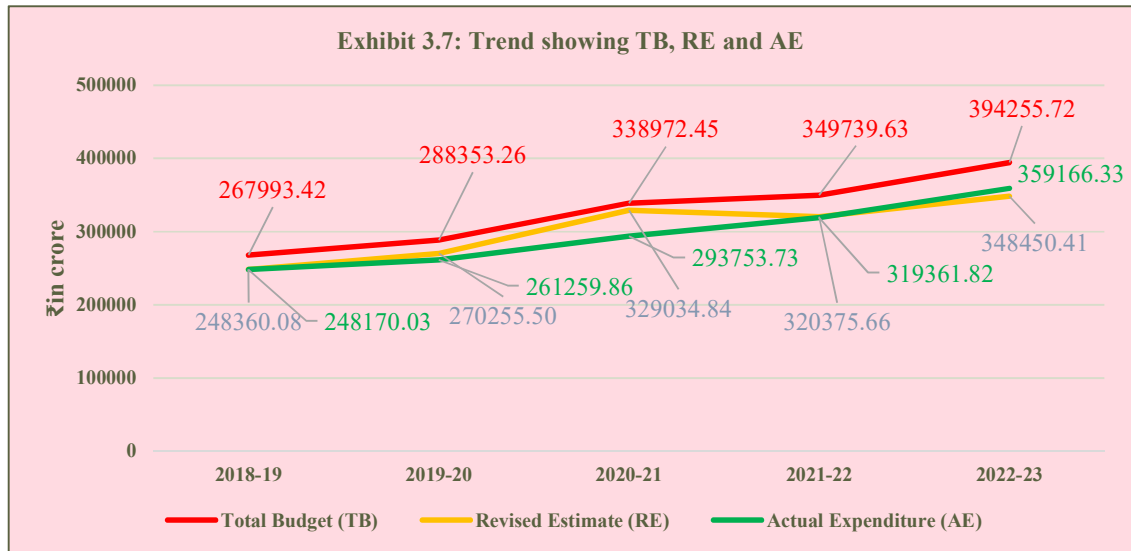
Trends in expenditure during the past five years with reference to the Original Budget and Revised Estimate are given below in **Table 3.17**.

Table 3.17: Trend of Total Budget, Revised Estimate and Actual Expenditure during 2018-23
(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Original budget	2,43,847.26	2,68,501.58	3,04,954.44	3,35,288.14	3,64,107.02
Supplementary budget	24,146.16	19,851.68	34,018.02	14,451.49	30,148.70
Total Budget (TB)	2,67,993.42	2,88,353.26	3,38,972.45	3,49,739.63	3,94,255.72
Revised Estimate (RE)	2,48,360.08	2,70,255.50	3,29,034.84	3,20,375.66	3,48,450.41
Actual Expenditure (AE)	2,48,170.03	2,61,259.86	2,93,753.73	3,19,361.82	3,59,166.33
Savings	(-) 19,823.39	(-) 27,093.40	(-) 45,218.72	(-) 30,377.81	(-) 35,089.39
Percentage of supplementary to the original budget	9.90	7.39	11.16	4.31	8.28
Percentage of overall savings/excess to the overall provision	7.40	9.40	13.34	8.69	8.90
TB-RE	19,633.34	18,097.76	9,937.61	29,363.97	45,805.31
RE-AE	190.05	8,995.64	35,281.11	1,013.84	(-) 10,715.92
(TB-RE) as % of TB	7.33	6.28	2.93	8.40	11.62
(RE-AE) as % of TB	0.07	3.12	10.41	0.29	(-)2.72

(Source: Appropriation Accounts for the respective years and Annual Financial Statements)

Table 3.17 shows that supplementary provision of ₹30,148.70 crore during 2022-23 constituted 8.28 *per cent* of the original provision as against 4.31 *per cent* during previous year.



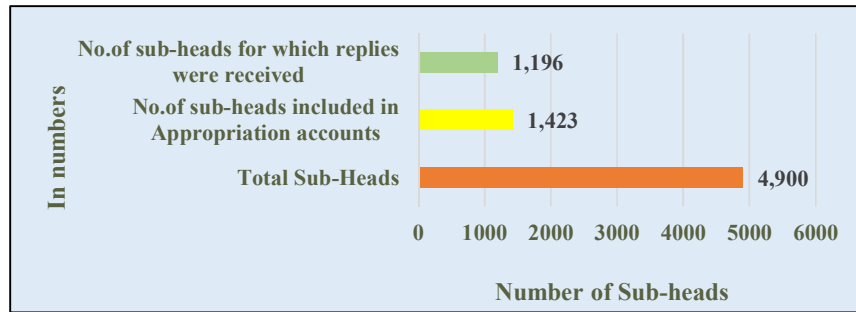
From the above table, it could be seen that during the years from 2018-19 to 2022-23, the revised estimate was lower than the total budget of the State. The gap between the total budget and revised estimate showed a declining trend during the first three years (2018-19 to 2020-21) and then increase sharply during the next two years (2021-22 and 2022-23). The widening of gap between revised estimate and total budget indicate large estimation error.

Further, the actual expenditure during 2022-23 was higher than revised estimate whereas the actual expenditure became lower than revised estimate during the years 2018-19 to 2021-22 as shown in **Exhibit 3.7**. The gap between revised and actual expenditure showed an increasing trend from 2018-19 to 2020-21 and then marginally decreased during 2021-22. During 2022-23, the gap turned negative and stood at ₹ (-)10,715.92 crore.

The supplementary provisions during 2019-20 to 2022-23 proved unnecessary since the actual expenditure did not come up even to the level of Original budget provision. These reflects inefficiencies in preparation of realistic budget estimates.

Out of 4,900 Sub-Heads, a total of 1,423 sub heads were commented in the Appropriation Accounts of the State. The reasons for variation in savings/excess were received for 1,196 sub-heads only as detailed in **Exhibit 3.8**.

Exhibit 3.8: Explanation for variation in Appropriation Accounts



3.5.2.2 Major policy pronouncements in budget and their actual funding for ensuring implementation

The State Government made several schemes/policies and announcements during 2022-23 budget. From the analysis of State Budget 2022-23, it was seen that some of the announcements during budget did not translate as financial provision in budget and in respect of some other schemes, the provisions were fully or partially remained unutilised. The ‘free bus travel for women’ scheme for the empowerment of women attracted the attention of public, especially the attention of low-income categories; for which only the provision was fully utilised under flagship schemes.

On test check of major policy highlights and various schemes implemented, the following observations were made in **Table 3.18**.

Table 3.18: Analysis of major budget pronouncements during 2022-23

(₹ in crore)

Sl No	Grant No	Name of the Scheme	Outlay announced in the Budget speech	Amount provided in BE/RE	Amount spent
I- Announcement did not translate into budget provision					
1	45	Construction of Buildings for Integrated Training Centre for Social Empowerment	27.00	0.00	0.00
II- Budget provision was withdrawn in full					
2	27	Export Promotion Fund	100.00	100.00	0.00
3	16	Investment Fund for Startups	50.00	50.00	0.00
4	54	Nilgiris Tahr Project	10.00	10.00	0.00
III- Budget provision was short of announcement					
5	42	Jal Jeevan Mission (Erstwhile National Rural Drinking Water Programme)	3,000.00	915.04	915.04
6	26	Housing For All - Pradhan Mantri Awaas Yojana (Urban)	3,700.00	1,252.58	1,252.58
7	42	Anaithu Grama Anna Marumalarchi Thittam	1,455.00	250.00	334.47
8	42	Reconstruction and Repairs of Samathuvapurams	190.00	45.55	67.01

Sl No	Grant No	Name of the Scheme	Outlay announced in the Budget speech	Amount provided in BE/RE	Amount spent
IV- Expenditure was meagre in comparison with announcement					
9	45	Moovalur Ramamirtham Ammaiyar Girl children Higher Education Guarantee Scheme	698.00	697.78	104.06
10	49	Grants to Tamil Nadu Olympic Gold Quest	25.00	25.00	1.00

(Source: Tamil Nadu Budget' 2022-23 and Appropriation Accounts'2022-23)

Thus, the above instances of provisions fully /partly withdrawn and incurring meagre expenditure indicate non-fulfilment of promises made in the budget speech.

3.5.2.3 Rush of expenditure

Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of revenue expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

According to Article 39 of the Tamil Nadu Financial Code, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, an amount of ₹3,802.84 crore under 101 sub-heads for which provision was made in the original grant, as listed in **Appendix 3.15** was fully expended during the month of March 2023. Besides, in respect of one grant listed below in **Table 3.19**, more than 50 *per cent* of expenditure was incurred in the month of March 2023. Rush of expenditure at the end of the year shows poor management of expenditure and control.

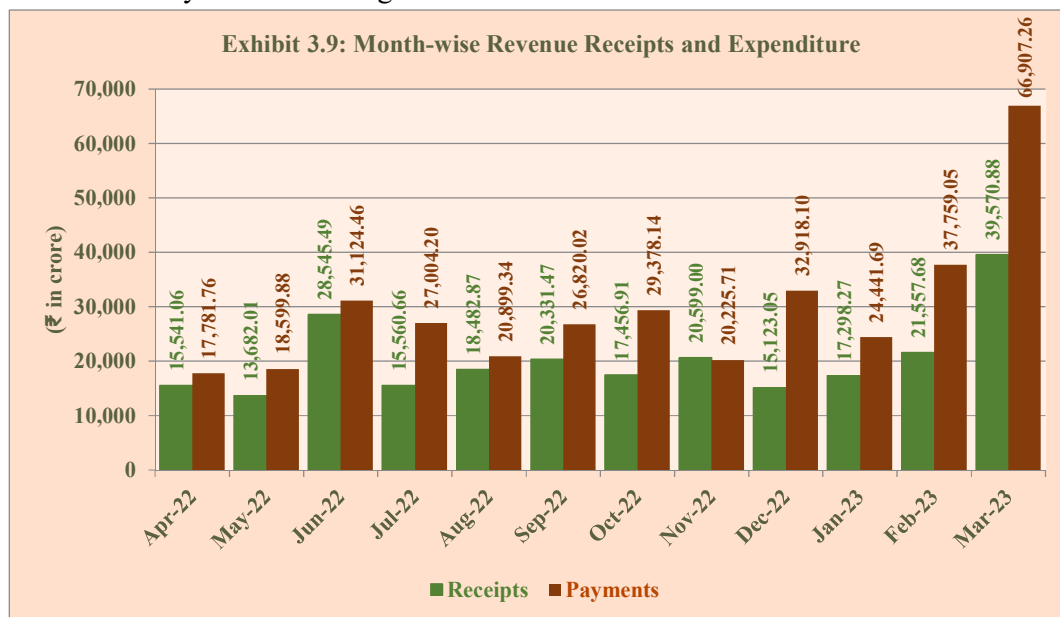
Table 3.19: Grant with more than 50 per cent of expenditure in March alone

(₹ in crore)

Sl. No	Grant No.	Description	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total	Expenditure in March	Expenditure in March as percentage of Total Expenditure
1.	08	Dairy Development (Animal Husbandry, Dairying and Fisheries Department)	17.57	21.59	23.69	286.34	349.19	180.79	51.77

(Source: Compilation from VLC data)

The following **Exhibit 3.9** showing the monthly receipts and expenditure during the year 2022-23 is given below:



(Source: Compilation from VLC data)

3.6 Advances from the Contingency Fund

The Contingency Fund (CF) of the State was established under the Tamil Nadu Contingency Fund Act, 1954 in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹150 crore.

Details of sanctions accorded for drawal of CF advance and actually utilised during the period 2018-19 to 2022-23 are given in **Table 3.20** below.

Table 3.20: Details of Contingency Fund advances sanctioned (2018-19 to 2022-23)

Year	Sanction of CFA		Utilisation of CFA		Percentage of utilisation	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount
2018-19	35	64.15	33	46.95	94	73
2019-20	30	40.01	27	33.69	90	84
2020-21	20	55.10	16	31.61	80	57
2021-22	04	17.15	03	12.26	75	71
2022-23	23	75.34	22	70.42	96	93

(Source: Government Orders)

Details of CF orders issued during the year, and the amount of expenditure incurred as at the end of the year is given in **Appendix 3.16**. From the

Appendix 3.16, it can be noticed that one CF was unutilised and eight CFs were partially utilised.

Out of the sanctioned amount of ₹75.34 crore under 23 CFs during the year, only an amount of ₹70.42 crore was spent leaving an unspent balance of ₹4.92 crore.

3.7 Outcome of review of selected grants

As per Paragraph 3.20 of the Financial Attest Audit Manual, Audit should conduct a comprehensive review of at least two Grants every year. The Grants for such review were selected on the basis of substantial persistent savings/excesses/other irregularities disclosed in past appropriation accounts. Grants which had persistent savings for the past five years were considered, out of which, the grants having huge savings were selected for review. Audit sampled the Directorate of Collegiate Education and Directorate of Technical Education under Higher Education Department (Grant 20) and Tourism – Art and Culture (Tourism, Culture and Religious Endowments Department (Grant 29) to examine the quality of budgeting and budget execution during 2022-23.

3.7.1 Higher Education Department

3.7.1.1 Allocation and Expenditure

A summary of actual expenditure *vis-à-vis* original/supplementary provisions made during the year 2022-23 is given in **Table 3.21** below.

Table 3.21: Details of Budget Provision and Actual Expenditure under Grant No. 20

(₹ in crore)

Nature of expenditure		Original	Supple- mentary	Total	Expendi- ture	Savings(-) /Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	5,285.30	316.3	5,601.60	5,284.95	(-) 316.65	5.65	(-) 309.76
	II Capital	383.59	3.00	386.59	214.1	(-) 172.49	44.62	(-) 172.49
	III Loan	--	0.19	0.19	0.19	--	0	0
Total Voted (A)		5,668.89	319.49	5,988.38	5,499.24	(-) 489.14	8.17	(-) 482.25
Charged	IV Revenue	0.00*	0	0.00*	0	0.00*	100	0.00*
	V Capital	0.00*	0	0.00*	0	0.00*	100	0.00*
Total Charged (B)		0	0	0	0	0	100	0
Grand Total (A+B)		5,668.89	319.48	5,988.38	5,499.24	(-) 489.14	8.17	(-) 482.25

* ₹2,000 token provision each under Revenue and Capital
(Source: Appropriation Accounts for the year 2022-23)

Though the ultimate savings in the grant during the year was ₹489.14 crore, the amount surrendered was ₹482.25 crore only. The savings stood at 8.17 per cent. During 2018-23, the Department had not utilised an average of 8.6 per cent of its budget grants as shown in **Table 3.22**

Table: 3.22: Last 5 years allocation and savings

(₹ in crore)

Year	Total grant	Expenditure	Saving	Percentage of saving
2018-19	4,758.74	4,504.59	(-) 254.16	5.34
2019-20	5,045.42	4,880.43	(-) 164.98	3.27
2020-21	5,422.79	4,761.44	(-) 661.36	12.20
2021-22	5,443.56	4,719.89	(-) 723.67	13.29
2022-23	5,988.38	5,499.23	(-) 489.14	8.17
Total	26,658.88	24,365.58	(-) 2,293.30	8.6

(Source: Appropriation Accounts for the respective years)

Even as the overall savings under the Grant stood at 8.17 per cent, the savings under capital heads stood at 44.62 per cent. Against ₹386.59 crore provided in Grant 20 towards capital expenditure, only ₹214.10 crore was incurred, leaving a savings of ₹172.49 crore. Further, the savings under capital heads stood above 40 per cent during the last three years, which pointed to lapses mainly in carrying out civil works for Government colleges. The unutilised budget provisions for capital works in Higher Education Department during 2018-23 was ₹566.21 crore as given in **Table 3.23**.

Table 3.23: Year-wise allocation and savings under Capital section

(₹ in crore)

Year	Total grant	Expenditure incurred	Saving	Amount surrendered	Percentage of saving
2018-19	378.24	339.61	(-) 38.63	(-) 45.51	10.21
2019-20	245.17	198.21	(-) 46.95	(-) 47.15	19.15
2020-21	270.39	138.22	(-) 132.17	(-) 131.98	48.88
2021-22	348.62	179.54	(-) 169.08	(-) 169.08	48.50
2022-23	386.59	214.10	(-) 172.49	(-) 172.49	44.62

(Source: Appropriation Accounts for the respective years)

Persistent savings in the budget and more importantly under capital heads indicated poor budgeting and implementation of the budget.

An analysis of reasons for the poor performance in budget management disclosed the following:

- The additional grant of ₹50 crore earmarked for Anna University during 2022-23 was not released for want of certificate for reimbursement from the Local Fund Audit.

- Foreign Technical Training Programme for diploma students was not conducted and led to non-utilisation of ₹1.50 crore provided therefor. In reply, the Director of Technical Education (September 2023) had stated that the training programmes was not conducted during 2022-23 as the foreign countries had banned issuance of visa to students during the year. The reply was not factually correct, as per the Ministry of External Affairs data, the number of students migrated to foreign countries for higher studies showed an increase of 68.79 *per cent* during 2022-23 when compared to that of previous year.
- Block Grant amount of ₹85.20 lakh was not released to Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore by the Directorate due to procedural issues.
- An amount of ₹1 lakh provided for educational concessions under the control of the Director of Technical Education could not be utilised (during 2014-23) as no application had been received from any students during the years.
- Government sanctioned (October 2022), ₹5.20 crore to procure laboratory equipment in respect of 62 Arts and Science Colleges. The token provision of ₹2,000 was increased to ₹5.20 crore at re-appropriation-I for the above purchase. However, the entire Final Modified Grant of ₹5.20 crore was withdrawn during re-appropriation-II due to delay in issuance of purchase order on account of delays in selection of vendors. Incidentally, it is pertinent to note that the department had also surrendered funds provided for the purchase during earlier years from 2017-18 to 2021-22. Thus, repeated surrender of funds provided for purchase of laboratory equipment for 62 Arts and Science Colleges established the inefficiency of the Department in utilising the budget provision and 62 colleges remaining deprived of new laboratory. On being pointed out by Audit, the Department admitted the fact that the amount had not been utilised during 2017-18 to 2022-23 and also replied that proposal had been submitted in June 2023 to release an amount of ₹5.20 crore for payment to vendors.
- GoTN provided ₹698 crore for the implementation of a scheme *viz., Moovalur Ramamirtham Ammaiyar* Higher Education Assurance Scheme to provide cash benefit of ₹1,000 per month to Government school girl students who enrol in undergraduate degrees, diploma and ITI courses. However, it was observed that only ₹100.11 crore (14 *per cent* of the budget allocation) was utilised during 2022-23 and ₹598 crore was surrendered at re-appropriation stage due to non-identification of estimated number of beneficiaries. Audit observed that there was huge gap between the budget provision and the actual expenditure due

to non-identification of beneficiaries indicating tardy implementation of the scheme. On being pointed out by Audit, the Commissioner of Social Welfare Department replied (December 2023) that the enumeration of beneficiaries for the scheme was made initially for 4.36 lakh beneficiaries, subsequently, it was reduced to 1.99 lakh girls studied in Government school alone based on the details furnished by the Department of School Education and hence major provision was surrendered. It was also stated that during 2023-24, on an average ₹26 crore would be utilised. But, the fact remains that during 2022-23 the budget provision was made without proper enumeration.

3.7.1.2 Rush of expenditure under Higher Education Department

Three instances of rush of expenditure under Grant No.20 indicated in **Appendix 3.15** from Sl.No. 24 to 28.

- An amount of ₹48.15 crore towards ‘Grants for implementation of Rashtriya Uchhatar Siksha Abhiyan (RUSA)’ was released in March 2023. The State Project Director/ RUSA attributed the rush of expenditure to delay in submission of proposals for release of central share.
- An amount of ₹2.25 crore was released to Anna University on 29 March 2023 due to delayed sanction of a project viz., ‘Development of Semi and Fully Automated Intelligent Exo-Skeletal and Prosthetics for Disabled Communities’ under State Innovation Fund’.
- The amount of ₹6.63 crore provided towards ‘Assistance to Post Graduate Students’, was utilised only during March 2023 due to delayed sanction consequent on delayed selection of eligible candidates.

3.7.2 Tourism – Art and Culture (Tourism, Culture and Religious Endowments Department)

3.7.2.1 Allocation and Expenditure

A summary of actual expenditure incurred under Grant No.29, vis-à-vis original/ supplementary provisions made during the year 2022-23 is given in **Table 3.24** below:

Table 3.24: Details of Budget Provision and Actual Expenditure under Grant No. 29

(₹ in crore)

	Nature of expenditure	Original	Supplementary	Total	Expenditure	Savings(-)/ Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	149.64	25.96	175.59	165.56	10.03	5.71	(-) 9.66
	II Capital	95.73	49.41	145.14	84.64	60.51	41.69	(-) 60.51
	III Loan	0.69	0.56	1.25	1.25	0	0	0
Total Voted (A)		246.06	75.93	321.98	251.45	70.54	21.91	(-) 70.16
Charged	IV Revenue	0.00*	0	0.00*	0	0.00*	100	0.00*
Total Charged (B)		0	0	0	0	0	100	0
Grand Total (A+B)		246.06	75.93	321.98	251.45	70.54	21.91	(-) 70.16

* ₹7,000 token provision

(Source: Appropriation Accounts for the year 2022-23)

Though the ultimate saving in the Grant during the year was ₹70.54 crore, the amount surrendered was ₹70.16 crore only. The overall savings was 21.91 per cent of the provision. Overall savings in the Grant as compared to budget provision during the past five years is shown in **Table 3.25**:

Table 3.25: Last 5 years allocation and savings

(₹ in crore)

Year	Total grant	Expenditure	Savings	Percentage of saving
2018-19	179.36	141.50	(-) 37.85	21.11
2019-20	349.54	189.65	(-) 159.89	45.74
2020-21	362.66	277.98	(-) 84.68	23.35
2021-22	202.43	179.87	(-) 22.57	11.15
2022-23	321.98	251.45	(-) 70.54	21.91
TOTAL	1,415.99	1,040.45	(-) 375.53	26.52

(Source: Appropriation Accounts for the respective years)

On an average, 26.52 per cent of the budget provision made during 2018-23 remained unutilised. This ranged from 11.15 per cent to 45.74 per cent of budget provision during the five-year period.

3.7.2.2 Persistent Savings under capital heads

During 2022-23, there was a saving of 41.69 per cent in the Grant under Capital Section. During the five-year period 2018-23, the Department had persistent savings ranging between 16.40 per cent and 69.40 per cent of the total grant and 44.48 per cent of the provision allocated for creation of capital assets remained unspent during 2018-23 as given in **Table 3.26** below:

Table 3.26: Year-wise allocation and savings under Capital section
(₹in crore)

Year	Total grant	Expenditure incurred	Saving	Percentage of saving
2018-19	62.55	29.21	(-) 33.33	53.29
2019-20	197.84	60.55	(-) 137.29	69.40
2020-21	206.88	150.23	(-) 56.65	27.38
2021-22	54.76	45.78	(-) 8.98	16.40
2022-23	145.14	84.64	(-) 60.51	41.69
Total	667.17	370.41	(-) 296.76	44.48

(Source: Appropriation Accounts for the respective years)

Reasons for major instances of unspent budget provisions are discussed below:

- In August 2021, through the Hon'ble Governor's address in the Legislature, GoTN proposed to restore and renovate 'Sarjah Madi at Thanjavur', 'Danish Fort at Tarangambadi' and 'Tirumalai Nayak Mahal at Madurai'. GoTN issued Administrative Sanction in February 2022 to execute the project at a cost of ₹16.93 crore, and provided ₹17.13 crore in Budget Estimate 2022-23 (4202.04.800.KH). The work was entrusted to Public Works Department. Due to abnormal delays in preparation of detailed estimate and tendering, ₹16.33 crore sanctioned in the budget was surrendered. Thus, the work originally proposed in 2021 could not make significant progress even as of March 2023, despite availability of funds.
- In September 2021, the Hon'ble Chief Minister announced a project in the State Assembly to establish "Porunai Museum" in Tirunelveli to showcase the artefacts collected at Aditchanallur, Korkai and Sivakalai. The Department sought and obtained a provision of ₹18 crore in Budget Estimate/Revised Estimate 2022-23 (4202.04.106.KE). Another sum of ₹20.52 crore was provided under State Infrastructure and Amenities Fund (4202.04.106.KC). During 2022-23, only ₹10.92 crore was utilised for the preparation of detailed project report in March 2023 and the remaining provision of ₹27.59 crore was surrendered as the tenders were not finalised even as of March 2023.

Audit observed that in both the above cases, the Department was not prompt in assessing actual requirement based on the status of the projects, leading to provision of funds in the budget which were surrendered at the fag end of the year or remained unspent. Audit also observed that incorrect budgeting without due regard to the status of the project had also resulted in non-availability of this fund for use by other needy departments.

3.8 Conclusion

Gender Budgeting

Non-formation of Gender Budget Cells in line departments contributed to non-preparation of Gender Budget Statement in a holistic manner by carrying out proper gender analysis of all schemes in all sectors.

(Paragraph 3.3)

Expenditure without provision in Original and Supplementary

In eight cases, a total expenditure of ₹40.09 lakh was incurred irregularly through re-appropriation without provision of funds either in Original or Supplementary stage.

(Paragraph 3.5.1.1)

Unnecessary or excessive Supplementary grant/re-appropriations

Supplementary provisions aggregating to ₹441 crore in 59 cases proved unnecessary as the original provision was not exhausted.

In respect of 17 Heads of Account, though an amount of ₹160.72 crore was available (Original and Supplementary), an additional amount of ₹11.06 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these cases were only ₹146.69 crore and well within the earlier provisions made.

In 14 cases, though the entire provision was fully withdrawn by re-appropriations, expenditure of ₹141.98 crore was incurred under the schemes, indicating injudicious re-appropriations.

In 24 cases across 9 Grants/Appropriation, an amount of ₹12,461.23 crore provided in original budget was fully withdrawn by re-appropriation during the year 2022-23. Withdrawal of the entire amount provided for not only indicates inaccurate budgeting, but also deprives the other departments of the funds required.

(Paragraphs 3.5.1.4 and 3.5.1.5)

Unspent amount, surrendered appropriations and persistent savings

In 34 cases, there were savings of above ₹100 crore amounting to ₹33,183.15 crore across various grants.

An amount of ₹13,320.27 crore (net) was surrendered on the last day (31 March 2023) out of which 89 cases amounting to ₹12,979.70 crore were in excess of over ₹10 crore indicating inadequate financial controls.

Under 26 Grants/Appropriations there were persistent savings of more than five *per cent* of the total grant during the last five years. There was a persistent savings of more than 91 *per cent* under Capital section during all the past five years in Grant 16 -Finance Department.

(Paragraph 3.5.1.7)

Regularisation of excess expenditure of previous years

Excess expenditure of ₹2,854.07 crore relating to 2014-22 was yet to be regularised.

(Paragraph 3.5.1.8)

Major policy pronouncements in budget and their actual funding for ensuring implementation

Analysis of State Budget 2022-23, revealed that some of the announcements made during budget did not translate as financial provision in budget and in respect of some other schemes, the provisions were fully or partially remained unutilised.

(Paragraph 3.5.2.2)

Rush of expenditure

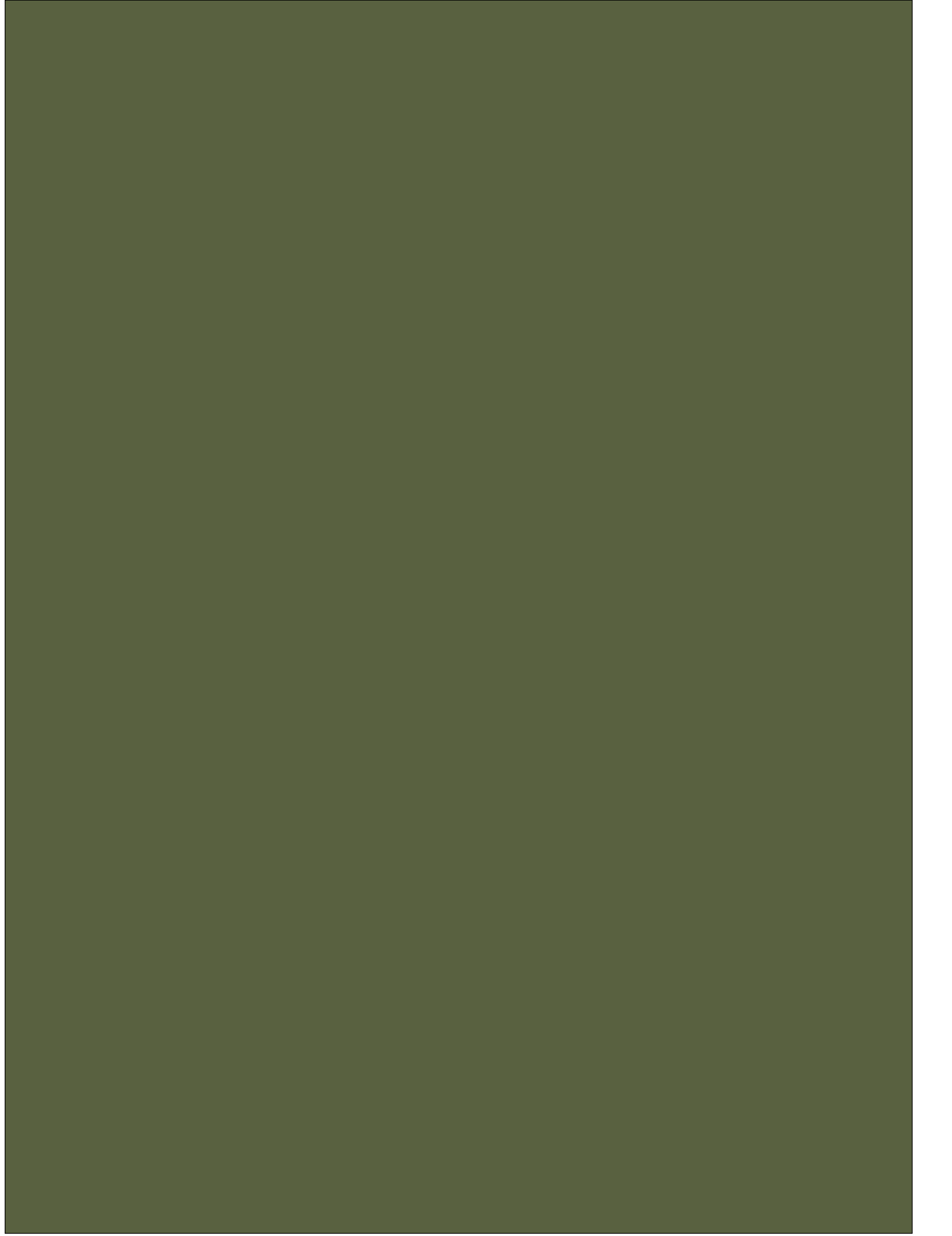
An amount of ₹3,802.84 crore under 101 sub-heads for which provision was made in the original grant and was available throughout the year was fully expended only during the month of March 2023 against the provisions of Article 39 of the Tamil Nadu Financial Code directing that rush of expenditure in the closing month of the financial year should be avoided. In respect of two grants (Grant Nos. 8 and 51), more than 50 *per cent* of expenditure was incurred in the month of March 2023.

(Paragraph 3.5.2.3)

3.9. Recommendations

- (i) Gender Budget Cells should be formed in all departments so as to identify all women oriented schemes and to prepare Gender Budget Statement in a holistic manner.*
- (ii) Government should establish a proper control mechanism to ensure that expenditure should not be incurred without provisions and unnecessary supplementary provisions should not be made.*
- (iii) To enforce proper implementation and monitoring budget mechanism to ensure that anticipated savings are identified and surrendered within the specified timeframe so that the funds can be utilised for other development purposes.*
- (iv) Government should ensure that adequate provisions were being made for major policies /schemes announced in the Budget.*
- (v) Government should institute appropriate control mechanism to avoid last minute surrender as well as rush of expenditure. It should implement the Business Intelligence module of IFHRMS, for continuous monitoring of the progress of expenditure.*

CHAPTER IV
QUALITY OF ACCOUNTS &
FINANCIAL REPORTING
PRACTICES



CHAPTER IV

QUALITY OF ACCOUNTS & FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system and compliance with relevant rules and procedures contribute significantly to good governance. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational would assist the Government in meeting its basic stewardship responsibilities including strategic planning and decision-making.

This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

A. OBSERVATIONS RELATING TO COMPLETENESS OF ACCOUNTS

4.1 Loans of State Government not being credited to the Consolidated Fund

The borrowings of the State Government are governed by Article 293 (1) of the Constitution of India. The State stood as guarantor for loans availed by Government Companies/ Corporations/ Boards. These Companies/ Corporations/ Boards borrowed funds from the market/ financial institutions for implementation of various State Plan programme projected outside the State budget. The borrowings of these concerns ultimately turn out to be the liabilities of the State Government termed 'Off-Budget Borrowings' (OBB). The trend of OBB during 2018-19 to 2022-23 is detailed in **Table 4.1**.

Table 4.1: Entity-wise position of off-budget borrowings

(₹ in crore)

Name of the Agency	2018-19	2019-20	2020-21	2021-22	2022-23
Tamil Nadu Rural Housing and Infrastructure Development Corporation	514.54	463.09	411.63	373.03	308.71
Water and Sanitation Pooled Fund – Tamil Nadu Urban Infrastructure Financial Services Limited	254.13	237.45	220.77	239.17	380.14
Tamil Nadu Water Supply and Drainage Board	5.79	3.24	1.59	0.45	0.00
Tamil Nadu Water Resources Conservation and River Restoration	0.00	0.00	34.43	629.31	1,609.69
Total	774.46	703.78	668.42	1,241.96	2,298.54

(Source: Budget Document and Finance Accounts of the respective years)

The State's OBB decreased marginally from 2019-20 to 2020-21 and increased substantially during 2021-22 and 2022-23. During 2022-23, Government had borrowed an amount of ₹1,184.69 crore and repaid an amount of ₹128.11 crore towards OBB. **(Para 2.6.1.1 of Chapter-II).**

The recourse to Off-Budget Borrowings and the liabilities of the Government to fully service such borrowings have significant impact on the fiscal health of the State especially in such a case where the Government of Tamil Nadu has been witnessing Revenue and Fiscal Deficits consistently over last five years. Further, creating such liabilities without disclosing them in the Budget raises questions both on transparency and completeness of accounts.

4.2 Non-discharge of liability in respect of interest towards interest bearing deposits

The Government has a liability to provide and pay interest on the amounts in Interest-bearing Deposits under the Major Head (MH) 2049-60-101 (Interest on deposits) for discharging the liabilities under MH 8338 (Deposit of Local Funds) and MH 8342 (Other deposits).

During the year 2022-23, the interest payments made in the MH 2049-60-101 (Interest on deposits) for discharging the liabilities under MH 8338 and MH 8342 as per the State Finance Accounts was ₹139.53 crore which worked out to 0.21 *per cent* of the deposits available under MH 8338 and MH 8342 (₹66,629.81 crore). Further, provisions made to the tune of ₹29.09 crore under the Heads of Account '2049-60-101' was entirely withdrawn by re-appropriation during the year, thereby deferring the discharge of interest liabilities towards these deposits (details in **Appendix 3.7**). Non-payment of interest liability has resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.

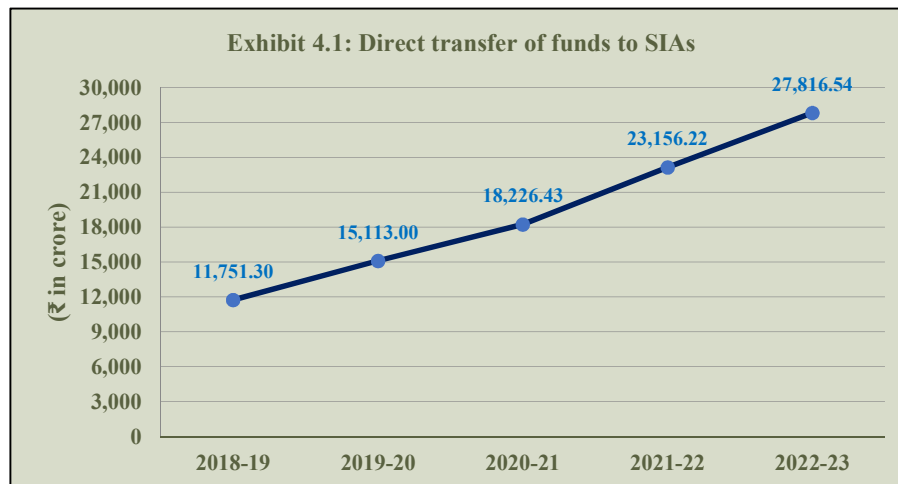
4.3 Funds transferred directly to State Implementing Agencies (SIAs)

Government of India (GoI) transfers substantial funds directly to State Implementing Agencies¹ (SIAs) for implementation of various schemes and Programmes. The details of Funds transferred by GoI directly to SIAs as per the Public Financial Management System (PFMS) portal of the Controller General of Accounts (CGA) is listed in Appendix VI of Volume-II of the State Finance Accounts. Since these funds are not routed through the State Budget/State Treasury System, State Finance Accounts do not capture the flow of these funds or the related expenditure.

¹ State Implementing Agency includes any organisation/institution including non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State.

During the year 2022-23, GoI transferred ₹27,816.54 crore directly to the SIAs for implementing various Central schemes / programmes.

As seen from GoIs data, the direct transfer of funds to various implementing agencies has shown an increasing trend during the period 2018-23 as given in **Exhibit 4.1** with a substantial increase of ₹4,660.32 crore in the current year.



(Source: State Finance Accounts of the respective years)

The details of SIAs that received funds of more than ₹100 crore during the year 2022-23 are detailed in **Table 4.2**.

Table 4.2: List of SIAs which received funds of more than ₹100 crore directly from GoI

Sl. No	Schemes of Government of India	State Implementing Agency	Amount released by GoI during 2022-23 (₹ in crore)
(1)	(2)	(3)	(4)
(a) Central Sector Schemes			
1	Food Subsidy for Decentralised Procurement of Food grains under NFSA	Tamil Nadu Civil Supplies Corporation Limited	8,685.95
2	Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	Department of Agriculture	1,607.44
3	Member of Parliament Local Area Development Scheme (MPLAD)	District Collectors of various districts, Tamil Nadu	124.50
(b) Centrally Sponsored Schemes			
1	Mahatma Gandhi National Rural Guarantee Program	State Employment Guarantee Fund, Tamil Nadu	7,501.29
2	Jal Jeevan Mission (JJM) / National Rural Drinking Water Mission	Tamil Nadu State Water and Sanitation Mission	872.96
3	Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PMJAY)	Tamil Nadu Health Systems Project	579.39

(Source: State Finance Accounts' 2022-23)

As these funds were not routed through the State Budget/State Treasury System, the Annual Finance Accounts did not capture these funds flow and to that extent,

the State's receipt and expenditure as well as other fiscal variables/parameters derived from them did not present the complete true and fair picture.

B. ISSUES RELATED TO TRANSPARENCY

4.4. Tax on electricity kept outside consolidated fund of the State

Non/short realisation of Electricity Tax by the State Government from TANGEDCO and the amount being retained by TANGEDCO for a period of four years is fraught with the risk of suspected temporary misappropriation. Non-realisation of the dues in Government account is also one of the contributing factors to revenue deficit of the State Government.

Under Section 3 of Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003, TANGEDCO (Licensee under the Act) is to collect the electricity tax along with energy charges and remit the tax into Government account. During 2019-23, Tamil Nadu Generation and Distribution Corporation (TANGEDCO) collected ₹5,493.40 crore as Electricity tax from consumers, but remitted only ₹1,228.79 crore. The amount of electricity tax collected but not remitted into the consolidated fund as of 31 March 2023 stood at ₹4,264.61 crore (**Table 4.3**). GoTN has not made it mandatory to remit the tax amount at periodical intervals and adjustments were not being carried out regularly. The amount deposited into the Government Account by TANGEDCO, was the adjustments against the loan receipts. Had the outstanding amount of ₹1,737.48 crore been credited in the Government account during the year 2022-23, the revenue deficit would have been lessened to that extent. Further, had the electricity tax amount of ₹ 4,264.61 crore been brought in to Government accounts, Government could have reduced its borrowing to that extent with consequential reduction in the interest payments.

Table 4.3: Details of collection of electricity tax and remittance into Government Account

(₹ in crore)

Year	Amount collected	Amount deposited into Government account	Amount yet to be credited
2019-20	1,266.10	1,228.79	37.31
2020-21	1,102.09	--	1,102.09
2021-22	1,387.73	--	1,387.73
2022-23	1,737.48	--	1,737.48
Total	5,493.40	1,228.79	4,264.61

(Source: Details furnished by O/o PAG (Audit-II))

From **Table 4.3**, it is evident that 78 per cent of the tax collected during the period 2019-23 were not credited to the Government Accounts and were kept with TANGEDCO. The possibility of the amount being expended by TANGEDCO for its own operational expenditure cannot be ruled out. Such non-remittance to the Government account and retaining the collected tax for such a long period is fraught with the risk of suspected temporary misappropriation.

In the Exit Conference, Government committed to take up the issue with TANGEDCO. Though the issue was highlighted in the earlier Reports also, no action has been initiated by the Government.

4.5 Delay in furnishing of Utilisation Certificates

As per Article 210 (A) of Tamil Nadu Financial Code, utilisation certificates should be submitted to the Accountant General for Grants-in-aid received. The Tamil Nadu Financial Code, however, had not specified any timeline for submission of the Utilisation Certificates, in absence of which maximum timeline of 15 months have been used for analysis. Thus, Utilisation Certificates (UCs) in respect of Grants-in-Aid received by the grantee are required to be furnished by the grantee to the authority that sanctioned it, by the end of June for the grant received upto March of the previous financial year. It was however noticed that 48 UCs for ₹1,435.43 crore were outstanding as per the Finance Accounts 2022-23. The Department wise break-up of outstanding UCs is given in **Appendix 4.1** and the year-wise break up of delays in submission of UCs is summarised in **Table 4.4**.

Table 4.4: Year wise break up of outstanding UCs

Year	No of UCs	Amount pending (₹ in Crore)
2017-18	2	16.76
2018-19	2	7.95
2019-20	1	3.04
2020-21	3	18.04
2021-22	18	572.31
2022-23	22	817.33
Total	48	1,435.43

(Source: Notes to Finance Accounts)

A test check of three long pending UCs in respect of two departments viz. Town and Country Planning Department and Industries and Commerce Department for the grants issued prior to the year 2018-19 revealed the following,

- Audit scrutiny revealed that Director of Town and Country Planning Department (DTCP), Chennai had released (February 2017) an amount of ₹21 crore (during 2016-17) to Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) for the work of “Plugging of sewage outfalls to prevent untreated sewage letting into water ways in Chennai” and CMWSSB had only utilised an amount of ₹8.80 crore for which an UC was submitted (May 2023) by DTCP to PAG (A&E).The delay in completion of the above work and non-submission of UC for an amount of ₹12.20 crore was due to termination of earlier contract which was attributable to the contractor

- Two UCs for an amount of ₹4.56 crore and ₹1.71 crore were pending from Industries and Commerce Department.
- (a) In respect of pending UC for ₹4.56 crore, Audit scrutiny revealed that the Industries and Commerce Department had released (March 2017) an amount of ₹4.56 crore (during 2016-17) to Tamil Nadu Small Industries Development Corporation (TANSIDCO) for establishing a Southern District Textile Processing cluster in Virudhunagar District. The delay in completion of the above work and non-submission of UC for an amount of ₹4.56 crore was due to change in location for setting up of an effluent treatment plant in Textile Processing cluster as local villagers had raised objections and consequential delay in execution of work.
- (b) In respect of pending UC for ₹1.71 crore, Audit scrutiny disclosed that Directorate of Industries and Commerce (DIC), Chennai had released (April 2017) a grant of ₹3.41 crore (during 2017-18) to TANSIDCO for setting up of an engineering cluster in Melavalavu and Kanchirayanpatti village in Melur Taluk, Madurai District and TANSIDCO had only utilised an amount of ₹1.70 crore for which an UC was submitted by the Industries and Commerce Department to PAG (A&E) as of June 2023. The delay in completion of the above work and non-submission of UC for an amount of ₹1.71 crore was due to non- completion of work on account of delays in mobilising labour and raw materials on account COVID 19 pandemic situation.

Non submission of UCs indicates the failure of the departmental officers to comply with the rules to ensure accountability. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for capital expenditure. The pendency of UCs was fraught with the risk of misappropriation of funds and fraud. Timely submission of UCs should not only be insisted upon but also ensured.

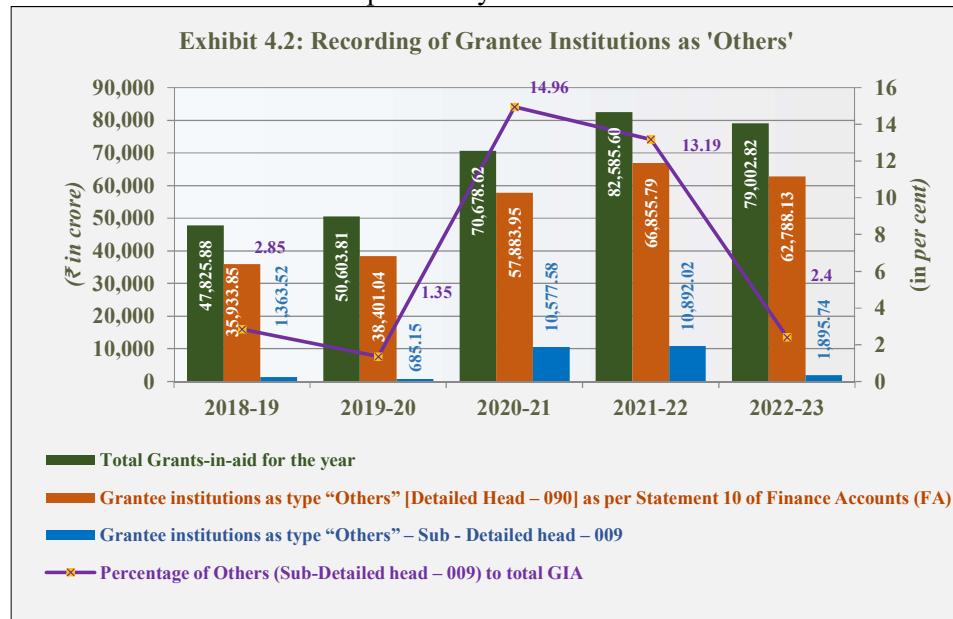
On being pointed out by Audit, Government replied (November 2023) that the concerned officials were instructed to furnish the Utilisation Certificate directly to the Accountant General (A&E).

4.6 Recording of Grantee Institution as “Others”

The State Government sanctions Grants-in-Aid (GIA) to various Bodies and Authorities. It is essential that the Government provides the details and nature of the Grantee Institution to which it is providing funds in the interest of transparency of accounts.

As per State Finance Accounts 2022-23 of GoTN, GIA constituted 24.18 *per cent* of the total expenditure of the State. Out of the total GIA of ₹79,002.82 crore for the year, an amount of ₹62,788.13 crore (79.48 *per cent*) was disbursed

to grantee institutions of type “Others”, where “Others” means various Government Departments excluding the GIA given to ‘Local Bodies’. Out of the total GIA of ₹62,788.13 crore for the year 2022-23, ₹1,895.74 crore (2.40 per cent) was shown as disbursed to Grantee Institutions of type “Others” (detailed head code – 090, sub-detailed head code - 009). This adversely affects the transparency of accounts and monitoring of UCs against these GIA. The trend of percentage of GIA from the year 2018-19 to 2022-23 under type “Others” to total GIA for the past five years are shown in **Exhibit 4.2**.



(Source: State Finance Accounts for the respective years)

4.7 Non-Adjustment of Temporary Advances

The Government of Tamil Nadu does not follow the system of drawal of Abstract Contingent (AC) bills followed by submission of Detailed Contingent (DC) bills, as is the practice in other States. Instead, the Drawing and Disbursing Officers (DDOs) have been empowered to draw Temporary Advances (TAs) under Article 99 of Tamil Nadu Financial Code and the advances should be adjusted by presenting detailed bills and vouchers as soon as possible. Such Temporary Advances drawn by the departmental officers shall be adjusted within three months from the date of drawal of the advances.

It was noticed that there were 693 number of temporary advances amounting to ₹296.97 crore drawn by various DDOs under Article 99 of Tamil Nadu Financial Code, Vol. I, which remained unadjusted as on 31 March 2023. The unadjusted amount include TAs amounting to ₹14.73 crore (Sl.No. 1 and 2 in **Table 4.5** below) with a period of pendency for more than five years

Out of the total outstanding TAs amounting to ₹296.97 crore, the Commissionerate of Differently Abled and the Judicial Department had a

pendency of TAs amounting to ₹66.48 crore (22.39 per cent) and ₹53.12 crore (17.89 per cent) respectively.

The issue of non-adjustment of temporary advance has been raised in the State Finance Audit Report regularly. The number of temporary advances pending for adjustment significantly decreased from 1,649 in 2021-22 to 693 in 2022-23. And the unadjusted amount decreased from ₹317.81 crore in 2021-22 to ₹296.97 crore in 2022-23.

Age-wise analysis of the advances pending adjustment is given in **Table 4.5**.

Table 4.5: Age-wise analysis of advances pending

Sl. No.	Pendency	Number of Advances	Amount (₹ in crore)
1	More than 10 years	5	0.99
2	More than 5 years and less than 10 years	7	13.74
3	More than 1 year but less than 5 years	100	96.00
4	Less than one year	581	186.24
Total		693	296.97

(Source: Details furnished by AG(A&E))

The pendency, involving substantial amounts, indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances. In these cases, there is no assurance that the expenditure has actually been incurred before the close of the respective financial years. Advances drawn and not accounted for increased the possibility of wastage /misappropriation /malfeasance, etc., of public money and unhealthy practices. This also calls for fixing responsibility on the respective defaulting DDOs.

On being pointed out by Audit, Government replied (November 2023) that necessary instruction had been issued to Commissioner of Treasuries and Accounts (CTA) to settle the pending Temporary Advances.

4.8 Personal Deposit Accounts

As per Article 269 of Tamil Nadu Financial Code, GoTN is authorised to open Personal Deposit (PD) Accounts where money is deposited to be utilised for specific purposes. These PD Accounts are managed by designated Administrators on the basis of sanctions received from the State Government. The Accountant General (A&E) issues permissions for transfer of funds from the Consolidated Fund to the concerned PD Account under Part III – Public Account. These PD Accounts were required to be closed at the end of the year. The money transferred to PD Account under the Head 8443-00-106-AA are treated as final expenditure under the concerned service Major Heads from which the money was transferred to the PD Accounts.

During 2022-23, an amount of ₹777.77 crore (47 accounts) was transferred to PD accounts out of the Consolidated Fund of the State. All these 47 PD Accounts were closed as at the end of the financial year.

It was however seen that the Head 8443-00-106-AA had an opening balance of ₹1,154 crore and the same amount was shown as closing balance as at the end of the financial year. Audit found that this figure represented misclassification pertaining to 2019-20 wherein unspent amount relating to PD Accounts of five Administrators were transferred back to the concerned service Major Heads at the end of the financial year but the debit was incorrectly given to 8443-00-106-AC. This misclassification was not rectified till March 2023.

4.9 Accumulation of unencashed cheques and return Electronic Clearance Service

Paragraph 92 (iii) of the PAO Manual and Rule 49 of Tamil Nadu Treasury Code specify that in cases where cheques are not encashed within three months after the month of their issue, the payees should be advised by the PAO/DTO of the fact of those cheques having become time-barred and should be requested to obtain fresh cheques surrendering the time-barred cheques. If no reply is received from the payee, action should be taken to cancel the cheque with appropriate action to correct the expenditure under the relevant head.

It was, however, noticed from the details of unencashed cheques furnished by the seven PAOs that 54,246 cheques for ₹60.77 crore remained unencashed (June 2023). The age-wise profile of the number of cases and the value of cheques depicted as unencashed, as per the books of PAOs, are summarised in **Table 4.6**.

Table 4.6: Details of unencashed cheques

(₹ in crore)

Delay in number of years	Number of cases	Value of cheques
0-5 years	264	1.33
5-10 years	399	1.09
10-20 years	32,249	35.47
More than 20 years	21,334	22.88
Total	54,246	60.77

(Source: Information furnished by PAOs)

No action was taken by Government to resolve these long pending issues. Payments through Electronic Clearance Service (ECS) has been the norm in respect of direct benefit transfer, payment of salaries, wages, etc. Payments made through ECS return to the PAO/Treasury if the payee details as per the bank account do not match with the details of the payee maintained by the PAO/Treasuries. In February 2018, Commissioner of Treasuries and Accounts issued guidelines to be followed regarding return of funds paid through ECS. As per the guidelines, the unclaimed amount lying for more than three months should be remitted back into Government account by giving intimation to concerned DDOs. Audit scrutiny of records of PAOs revealed that there were 44 ECS payments in PAO / Madurai amounting to ₹10.93 lakh pending (August

2023) to be paid for more than three months due to reasons not on record. Neither the returned ECS payment money was disbursed by PAO Madurai to the Direct Benefit Transfer (DBT) beneficiaries by reconciling their bank details nor remitted back into Government account as per relevant orders. Analysis of a sample case of ECS return amount of ₹3.30 lakh disclosed that, despite a provision in IFHRMS to credit all the ECS return amounts into the respective heads originally debited, the system did not allow such credit of returned ECS amounts which were originally debited to MH 8443. Thus, the system issues also contributed to non-return of unencashed ECS payments to Government account.

4.10 Indiscriminate use of Minor head '800'

Minor Head – “800 - Other Expenditure / Other Receipts” are intended to be operated only when appropriate heads have not been provided in the accounts. Routine operation of Minor Head - 800 is to be discouraged, since it renders the accounts opaque.

During 2022-23, an expenditure amounting to ₹36,590.62 crore (11.45 per cent of the total expenditure of ₹3,19,494.39 crore) under the Revenue and Capital sections was classified under the minor head '800 - Other Expenditure'.

Audit scrutiny revealed that under 13 Major Heads the expenditure booked under the minor head 800 exceeded 50 per cent of the total expenditure of the respective Major heads as detailed in **Appendix 4.2**. In seven of the 13 Major Heads, the entire expenditure incurred was booked under Minor Head '800'.

On a test check of the expenditures booked under the Minor Head 800, it was noticed that the following expenditure were wrongly grouped with other expenditure (Minor Head-800) even though separate minor heads are available are given in **Table 4.7**.

Table 4.7: Expenditure booked under 'Minor Head 800 – Other Expenditure'

Sl. No.	Nature of expenditure (Detailed Head)	Head of Account wrongly booked		As per LMMH Head of Account to be booked with description
		Head of Account	Amount (₹ in lakh)	
1	110 – Subsidies	2405-00-800-BG-110	1,54.73	2405-Fisheries-00-121-Welfare schemes for Fisherman (2405-00-121)
2	090 – Grants-in-Aid	2405-00-800-BE-090	13.16	
3	090 – Grants-in-Aid	2405-00-800-BI-090	13.74	
4	090 – Grants-in-Aid	2405-00-800-BJ-090	5.26	
5	110 – Subsidies	2405-00-800-KD-110	6,221.23	
6	120 – Scholarships and Stipends	2405-00-800-KG-120	50.00	3456-Civil Supplies-00-102- Civil Supplies Scheme (3456-00-102)
7	190 – Machinery and Equipments	3456-00-800-AF-190	1.22	
8	330 – Payments for Professional and Special Services	3456-00-800-AF-330	74.92	
9	710 – Printing Charges	3456-00-800-AF-710	37.05	

(Source: VLC data & LMMH issued by CGA)

It was also noticed that out of the receipts of ₹2,43,749.34 crore during the year 2022-23, receipts amounting to ₹9,140.10 crore was booked under the Minor Head '800- Other Receipts' which works out to 3.75 per cent of the total receipts

during the year. Instances where 50 *per cent* or more and significant amount of receipts booked under minor head ‘800’ are detailed in **Appendix 4.3**.

On a test check of the receipts booked under the Minor Head 800, it was noticed that:

- a) Several receipts (exceeding ₹1 crore) were wrongly grouped with other receipts (Minor Head 800) even though separate minor heads were available as given in **Table 4.8**:

Table 4.8: Receipts booked under ‘Minor Head 800 – Other Receipts’

Sl. No.	Nature of receipt (Detailed Head)	Head of Accounts wrongly booked		As per LMMH Head of Account to be booked with description
		Head of Account	Amount (₹ in lakh)	
1	310 - Receipt of Rent / Hire Charges / Lease	0405-00-800-AC-310	15,973.20	0405 Fisheries - 00 - 011 Rents “The minor head 011 will include receipts from auction of fishing rights” (0405-00-011)
2	250 - Interest	0049-04-800-AT-250	5,223.43	0049 Interest Receipts – Interest- 04 Receipts of State- 118 Interest on Loans to Government Servants “The minor Head 118 will accommodate the interest receivable on Loans to Government Servants, separate sub heads may be opened under this Minor Head for each type of Interest Bearing Advances”. (0049-04-118)
3	140 - Taxes	0029-00-800-AA-140	4,007.93	0029 Land Revenue – 106 Receipts on account of Survey and Settlement Operations (0029-00-106)
4	310 - Receipt of Rent / Hire Charges / Lease	0853-00-800-AA-310	8,054.14	0853- Non-ferrous Mining and Metallurgical Industries-00-107- Minor Mineral Concession Fees, Rents and Royalties (as Sand is being classified under Minor Minerals).
5	320 - Royalty	0853-00-800-AE-320	1,898.40	
6	270 - Non-Taxation Fees	0853-00-800-AF-270	2,754.86	
7	270 - Non-Taxation Fees	0210-04-800-AM-270	3,825.62	
8	290 – Fines & Penalties	0210-04-800-AN-290	587.13	0210 Medical and Public Health-04 Public Health – 104 Fees and Fines etc- “104 minor head will include licence fees, fines etc. under Drug Control Acts and Prevention of Food Adulteration Acts etc. realised by Public Health authorities.”
9	270 - Non-Taxation Fees	0070-60-800-AB-270	822.37	0070 Other Administrative Services – 60 Other Services – 108 Marriage Fees
10	270 - Non-Taxation Fees	0070-60-800-DM-270	328.77	

(Source: VLC data & LMMH issued by CGA)

- b) As per extant Rules, recoveries of overpayments pertaining to previous year(s) shall be recorded under the minor head '911- Deduct Recoveries of Overpayments' below the concerned Major Head. Audit scrutiny also revealed that such recoveries pertaining to previous years(s) were booked under revenue receipt heads as detailed in **Table 4.9**:

Table 4.9: Receipts booked under ‘Minor Head 800 – Other Receipts’

Sl. No.	HOA with description	Detailed Head & Description	Object Head & Description	Receipt (₹ in lakh)
1.	0070-60-800-MH Unspent Balance remitted by Various Departments	900 - Miscellaneous Revenue Receipts	001- Miscellaneous Receipts	29,772.16
2.	0049-04-800-DR Interest Receipts under Integrated Child Protection Scheme (ICPS)	250 - Interest	062 - Unspent Balance	98.58
3.	0049-04-800-CZ Interest Receipts - Directorate of Sericulture	250 - Interest	062 - Unspent Balance	50.95
4.	0049-04-800-DE Miscellaneous receipts from Commissionerate of Economics and Statistics	250 - Interest	062 - Unspent Balance	5.15
5.	0851-00-800-AB Handlooms and Textiles	250 - Interest	062 - Unspent Balance	3.08
Total				29,929.93

(Source: VLC data & LMMH issued by CGA)

Out of the above ₹299.30 crore, ₹1.58 crore related to unspent amount and interest earned thereon in respect of scheme funds kept in bank accounts. Despite knowing the specific nature of these receipts, these receipts were classified as revenue receipts.

Further, in January 2022, GoTN directed to remit all unspent balances held in bank accounts into the minor head 800 under the major head 0070 – Other Administrative Services. This decision was made to mop up funds lying unutilised in various bank accounts of different department without clear details of schemes to which they pertained. During 2021-22, ₹287.44 crore was incorrectly remitted under this head as revenue receipt, which was pointed out in the SFAR on GoTN for the year 2021-22. Despite pointing out the incorrect accounting of this amount, a total of ₹297.72 crore relating to unspent scheme funds pertaining to previous years were remitted during 2022-23 under the head ‘0070-60-800’.

The booking of unspent balances of previous years to the tune of ₹299.30 crore in nontax revenue head of account for the year 2022-23 had overstated the revenue receipts.

Though the issue of classification of the receipts/ expenditure under Minor Head 800 – Other Receipts/ Expenditure had been continuously reported in the previous State Finance Audit Reports (SFAR), there has been little improvement. The fact that such substantial proportions of the receipts/ expenditure under the concerned Major Head are booked under Minor Head 800

is a cause for concern, since it adversely impacts transparency in financial reporting.

On being pointed out by Audit, Government admitted (November 2023) the audit observations and assured to scrupulously follow the recommendations of Audit in future.

C. ISSUES RELATED TO MEASUREMENT

4.11 Outstanding balances under Suspense and Debt, Deposit and Remittance (DDR) heads

Annexure to Statement 21 of the State Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, etc.

The Head “8658-101-PAO-Suspense” is intended for settlement of transactions between the Accountant General (A&E) and the various separate Pay and Accounts Officers (PAO) of Government of India. These involve transactions that mainly relate to the payments made by the State Government to Central Government Civil Pensioners. On clearance/settlement of this, the cash balance of the State Government will increase.

The transactions initially recorded under this head in the books of the AG are cleared on receipt of the Cheques/Demand Drafts from the Pay and Account Officers and on the issue of Cheque/Demand Draft in respect of amounts received in the State Treasuries on behalf of the Pay and Account Officers. Outstanding debit balance under this head shows that payments have been made by the AG on behalf of a PAO, which were yet to be reimbursed. As the amount expended to the extent of ₹265.80 crore (Dr) had not been reimbursed to the State funds, the cash balance outstanding as on 31 March 2023 showed a decreased balance.

4.12 Non-reconciliation of Departmental figures

Controlling Officers of the Departments have to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their accounts. As per Rules 124 and 127 of the Tamil Nadu Budget Manual, departmental accounts maintained by the Chief Controlling Officers (CCOs) and the progressive actuals, month by month are required to be reconciled with those entered in the books of the AG (A&E). As per Rule 128 of the Tamil Nadu Budget Manual, the CCO is required to send a reconciliation certificate to the AG(A&E) after necessary adjustments are made either in the accounts of the CCO or in the books of the AG(A&E).

During the year 2022-23, the CCOs had reconciled 94.79 per cent of the expenditure and 93.86 per cent of receipts. The remaining 5.21 per cent of expenditure and 6.14 per cent of receipts were not reconciled by 94 out of 214 CCOs and 54 out of 122 CCOs respectively. It was however noticed that, out of 122/214 CCOs for receipts/expenditure in the State, only 68/120 CCOs had fully reconciled the figures respectively. A further trend analysis for the past three years revealed that the percentage of non-reconciliation has been on the increasing trend as detailed in **Table 4.10**.

Table 4.10: Status of Non-Reconciliation of Receipts and Expenditure figures by CCOs

Year	Total number of Controlling Officers	CCOs fully reconciled	CCOs not fully reconciled	Percentage of Non-reconciliation
Receipts				
2018-19	119	72	47	39.50
2019-20	121	52	69	57.02
2020-21	121	107	14	11.57
2021-22	126	91	35	27.78
2022-23	122	68	54	44.26
Expenditure				
2018-19	211	152	59	27.96
2019-20	209	105	104	49.76
2020-21	209	175	34	16.27
2021-22	211	151	60	28.44
2022-23	214	120	94	43.93

(Source: Data compiled by the Accountant General (A&E), Tamil Nadu)

Further, due to the process of restructuring of loans during 2018-19, a number of adverse balances were created. As the awareness on restructuring of loan 2018-19 has not yet reached the loanee entities completely upto 2022-23, the repayment of principal and payment of interest had been recorded under the old loan heads which, in turn, projected excess receipts under old heads and non-receipts under new heads. Hence, the details on arrears on repayment of principal and interest is yet to be reconciled.

Failure to exercise/adhere to the codal provisions and executive instructions in non-reconciliation not only results in misclassification and incorrect booking of receipts and expenditure in the accounts, which would also defeats the very objective of budgetary process.

On being pointed out by Audit, Government replied (November 2023) that the concerned officials had been instructed to complete the pending reconciliations.

4.13 Reconciliation of Cash balances

In terms of provisions of Section 20, 21 and 21A of the Reserve Bank of India (RBI) Act, 1934, the RBI acts as a banker to both the Central and State

Governments. The transactions on behalf of State Government are carried out at offices of RBI and its agency banks authorised to conduct Government business on its behalf.

While the principal deposit accounts of the State Governments are maintained at the Central Accounts Section (CAS) of RBI at Nagpur, the regional offices of RBI account for the State Government transactions reported by agency banks through link offices and report to CAS, Nagpur.

As per the Memorandum of Instructions (MoI) of the RBI on the Accounting and Reconciliation of the State Government transactions, the agency branches have to send the Receipt /Payments scrolls on a daily basis in the prescribed form to the concerned sub-treasury / treasury without delays. Also, the consolidated monthly statement of the agency banks prepared by the link banks are to be sent to the RBI which in turn should forward the monthly consolidated statement to the Accountant General (A&E).

In view of the above system in place, there should generally not be any difference between cash balance position as per the books of the Accountant General and CAS figures. Even if differences occur in the month wise balance, there should not be any difference between cash balance position at the closing of Annual Accounts by April 25 of every year.

However, there was a sizeable net difference (₹103.07 crore) in the closing balance for the year 2022-23 between the cash balance as per books of accounts of the Accountant General and the cash balance as reported by the RBI. The details of differences in the Cash balance is given in **Table 4.11**.

Table 4.11: Differences in cash balances

Period	Debit difference		Credit difference	
	Number of items	₹ in crore	Number of items	₹ in crore
Upto 2017-18	817	4,364.92	1,060	4,463.81
2018-19	97	448.87	163	865.03
2019-20	69	290.31	149	887.98
2020-21	94	1,186.54	162	548.88
2021-22	101	1,502.16	91	1,188.69
2022-23	183	9,069.28	188	9,010.76
Total	1,361	16,862.08	1,813	16,965.15

(Source: Details furnished by Accountant General (A&E))

Analysis of such occurrences for the previous years revealed that the differences in cash balances were on a decreasing trend from 2019-20 to 2022-23 as shown in **Table 4.12**.

Table 4.12: Trend of differences in cash balances

(₹ in crore)

Year	Cash balances as per books of AG (A&E)	Cash balances as reported by RBI	Difference
2016-17	305.55 (Cr.)	89.53 (Cr.)	395.08 (Cr.)
2017-18	81.18 (Cr.)	8.12 (Cr.)	89.30 (Cr.)
2018-19	459.88 (Cr.)	37.49 (Cr.)	497.37(Cr.)
2019-20	923.33 (Dr.)	2,067.49 (Cr.)	1,144.16 (Cr.)
2020-21	467.24 (Cr.)	5.70 (Cr.)	472.94 (Cr.)
2021-22	266.95 (Dr.)	426.56 (Cr.)	159.61 (Cr.)
2022-23	59.17 (Cr.)	43.90 (Cr.)	103.07 (Cr.)

(Source: Statement 2 of Finance Accounts of the respective years)

The difference is mainly due to non-reporting of receipts by the Banks to the Treasuries.

4.14 Impact on Post Audit Analysis of certain transactions on fiscal indicators during 2022-23

Scrutiny of transactions during 2022-23 revealed that revenue deficit and fiscal deficit were affected by certain accounting adjustments and through post audit analysis which are detailed in **Table 4.13. (Refer Para 1.9.1 of Chapter-I)**

Table 4.13: Under/Over statement of Revenue and Fiscal Deficit

Particulars	Impact on Revenue Deficit (₹ in crore)		Impact on Fiscal Deficit (₹ in crore)	
	Over-statement (-)	Under-statement (+)	Over-statement (-)	Under-statement (+)
Incorrect adjustment of recoveries of capital expenditure under Revenue Section	--	(+) 5.74	--	--
Interest on interest bearing Reserve Funds and Deposits not credited (State Compensatory Afforestation Fund)	--	(+) 3.80	--	(+) 3.80
Non-transfer of central grant under Central Road and Infrastructure Fund (CRIF)	--	(+) 298.20	--	(+) 298.20
Total	--	(+) 307.74	--	(+) 302.00

(Source: Finance Accounts and Post audit analysis)

4.15 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form

of accounts of the Union and of the States. The Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS). The extent of non-compliance with the standards by the Government of Tamil Nadu in its financial statements for the year 2022-23 is given in **Table 4.14**.

Table 4.14: Compliance with Accounting Standards

Sl. No	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1	IGAS-1: Guarantees given by the Government – Disclosure requirements	This standard requires the Government to disclose the amount of guarantees (class and sector-wise) given during the year in its financial statements.	Complied	--
2	IGAS-2: Accounting and Classification of Grants-in-Aid	Grants-in-Aid are to be classified as, revenue expenditure in the accounts, even if it involves creation of assets. Grant-in-aid given in kind is required to be disclosed.	Complied	--
3	IGAS-3: Loans and Advances made by Government	Disclosures on loans and advances made by the Government.	Partly complied. The Government of Tamil Nadu has restructured old loans given by the Government during 2018-19. Though the Statement 7 & 18 of the Finance Accounts on Loans and Advances given by the State Government have been prepared as per prescribed format of IGAS-3, the reconciliation of figures booked under the loan heads was not completed during 2022-23, subsequent to the restructuring of loans and advances given by the Government during the year 2018-19. Hence, details relating to the repayment of arrears of loan entities could not be included. Reconciliation with the State is under process	Due to non-reconciliation, Adverse balances exists. The matter has been taken up with the State in the Entry Conference and reconciliation is being done by some departments.

(Source: Details furnished by O/o AG(A&E))

D. ISSUES RELATED TO DISCLOSURE

4.16 Non-submission/ Delay in submission of accounts

Section 14 and 15 of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act) envisages audit of accounts of institutions receiving Government grants, subject to conditions stipulated based on the quantum of the grants received, etc. In order to identify the institutions which attract audit under the DPC Act, every year, the heads of department were required to furnish to Audit the information about the financial assistance given

to various institutions, the purposes for which the assistance was granted and the total expenditure of these institutions/bodies.

The Annual Accounts of 219 Institutions/Bodies due upto 2022-23 were not received (August 2023) by Audit from the heads of department. The details are given in **Appendix 4.4** and their age-wise pendency is presented in **Table 4.15**.

Table 4.15: Age-wise analysis of arrears of Accounts of bodies/authorities

Sl. No.	Delay in number of years	Number of Institutions
1	Upto one year	86
2	More than one year and upto three years	88
3	More than three years and upto five years	20
4	Five years and above	25
	Total	219

(Source: Data compiled from information furnished by Heads of Department)

The major defaulters were educational institutions receiving Government grants for salaries, maintenance, etc. The delay in finalisation of accounts would hamper Audit in providing an assurance to the Legislature that the grants were being utilised for the intended objective.

4.17 Pendency in placement of Separate Audit Report of the Tamil Nadu Legal State Authority in the State Legislature:

As per sub sections 2, 4 and 5 of Section 18 of The Legal Services Authority Act 1987, the accounts of the Legal State Authorities shall be audited by the Comptroller and Auditor General of India (CAG) at such intervals as may be specified by him and the accounts of the State Legal Authorities, as certified by the CAG or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually by the Authorities to the State Government. The State Government shall cause the accounts and the audit report, as soon as may be after they are received, to be laid before the State Legislature. However, it was noticed in Audit that the Separate Audit Reports of the Tamil Nadu State Legal Services Authority and 32 District Legal Service Authorities in the State for the periods mentioned in **Appendix 4.5**, have not been placed in the State Legislature.

4.18 Misappropriation, Losses and Thefts

Article 294 of the Tamil Nadu Financial Code.(Vol-I) stipulates that “Heads of Office” should report all cases of defalcations or loss of public money, stores or other movable or immovable properties to the AG (A&E). Further, the Financial Code prescribes the principles and procedures to be followed for enforcing responsibility for losses and disposal of such cases.

As on 31 March 2023, 393 cases of misappropriation, shortages and theft involving a total amount of ₹30.81 crore, were pending disposal. The department-wise break-up of these are detailed in **Appendix 4.6**. The age-profile of the pending cases and the reasons for pendency are summarised in **Tables 4.16 and 4.17**.

Table 4.16: Age Profile of pending cases

Range in years	Number of cases	Amount involved* (₹ in crore)
0 – 5	43	2.95
6 - 10	15	9.44
11 - 15	32	4.87
16 – 20	31	3.42
21 and above	272	10.13
Total	393	30.81

* Based on information made available during 2022-23, the number and amount involved during past years have been reworked

(Source: Information furnished by Heads of Department & AG(A&E))

Table 4.17: Reasons for pendency of the cases

Reasons for the pendency	Number of cases	Amount (₹ in crore)
Awaiting departmental and criminal investigation	161	13.54
Departmental action initiated but not finalised	112	4.97
Criminal proceedings finalised but recovery of the amount still pending	12	0.76
Awaiting orders for recovery or write off	76	3.74
Pending in Courts of law	32	7.80
Total	393	30.81

(Source: Information received from Heads of Department & AG(A&E))

Out of 393 cases, 39 cases amounting to ₹15.77 crore pertaining to Commissioner of Treasuries and Accounts (CTA) were noticed by the office of PAG (A&E) during the inspection of CTA. Amongst 39 cases, 24 cases amounting to ₹4.74 crore were pending for more than 20 years and all of them relate to misappropriation of Government money on Military Pension, DCRG, fake bills, ECS return amount etc. Despite the codal provisions warranting that all cases of defalcations or loss of public money, stores or other movable or immovable properties should be communicated by the HoD to the Accountant General, the office of the Commissioner of Treasury and Accounts had not reported the above cases to the Accountant General, indicating the failure of the department. Moreover, concrete action taken by the office of the CTA in effecting recoveries from the officers involved in misappropriations were not reported to Audit.

4.19 Follow up on State Finances Audit Report

The Public Accounts Committee had 15 sittings on SFAR from 2013-14 to 2022-23. As of September 2023, out of 207 paragraphs/reviews selected for discussion for the period 2008-09 to 2021-22 on the State Finance Audit Report of Tamil Nadu, 22 paragraphs/reviews have been discussed and 185 paragraphs/reviews are pending discussion.

4.20 Conclusion

Non submission of Utilisation Certificates (₹1,435.43 crore) indicate the failure of the departmental officers to comply with the Rules to ensure accountability and ensuring achievement of the intended objective of the Grants-in-Aid. This assumes greater importance as Utilisation Certificates were pending against Grants-in-Aid meant for capital expenditure as well.

(Paragraphs 4.5)

The non-adjustment of Temporary Advances involving substantial amounts (₹296.97 crore drawn and pending over a period of years) indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances.

(Paragraphs 4.7)

Several receipts and expenditures were wrongly booked under Minor Head 800 even though separate Minor Heads were available for booking under the respective Major Heads.

Unspent balances of previous years as well as interest earned on these balances were booked under the non-tax receipt heads (Minor Head 800) instead of booking under Minor Head “911- Recovery of Overpayments”.

(Paragraphs 4.10)

As of March 2023, 219 Accounts pertaining to Bodies/Authorities were pending for finalization and the extent of arrears ranged between one year and more than five years.

(Paragraphs 4.16)

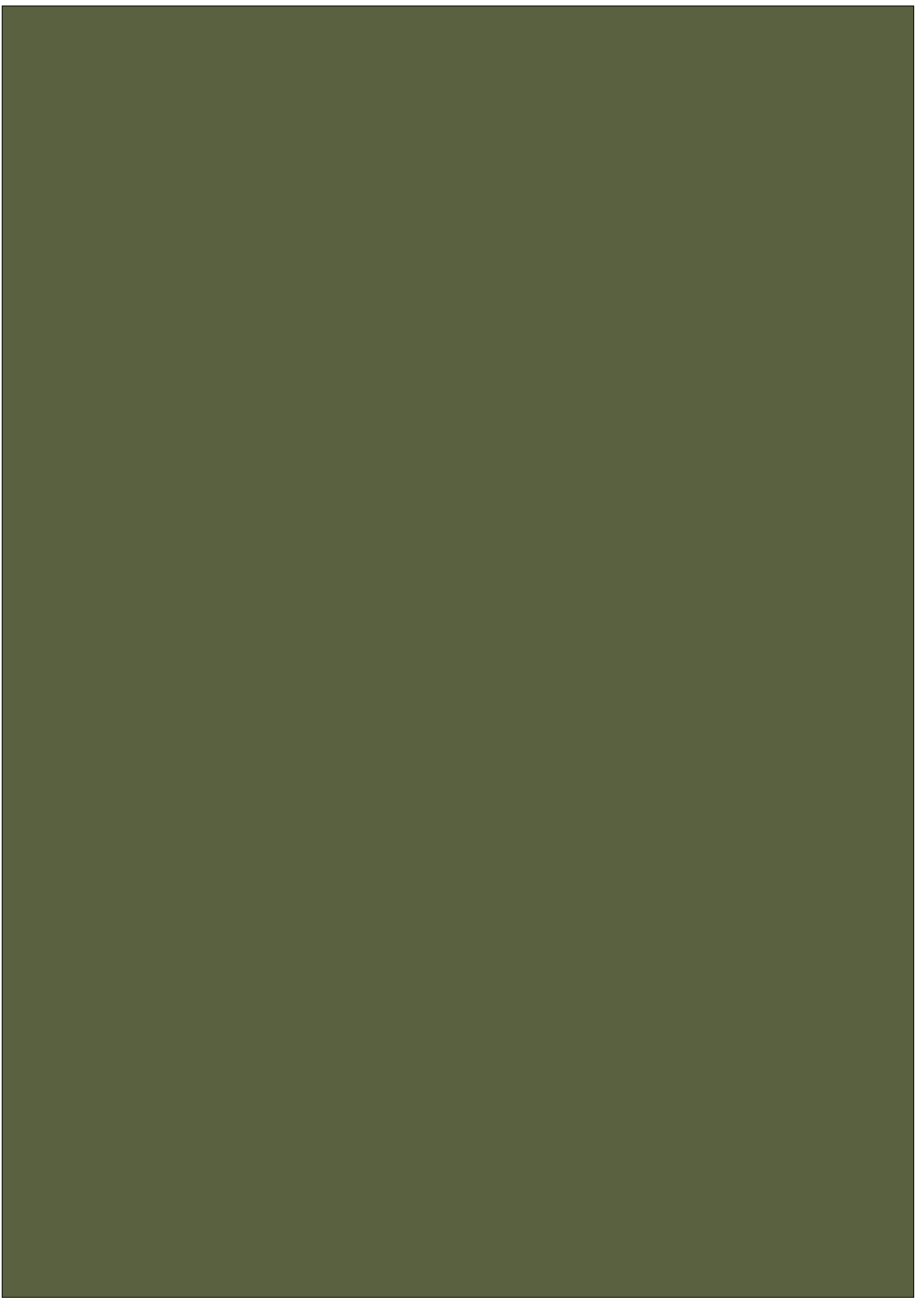
The cases of misappropriations, losses and thefts were not brought to the notice of the Principal Accountant General as and when occurred and the remedial action therein were pending for several years.

(Paragraphs 4.18)

4.21 Recommendations

- *Government should ensure that controlling officers adjust temporary advances and submit Utilisation Certificates in time and fix responsibility on those who fail to do so.*
- *Government should instruct DDOs/PAOs to book receipts and expenditure under the appropriate Minor Heads already available and to book Minor Head 800 only when no other appropriate heads were available. Unspent balances of previous years should be booked under Minor Head “911 – Recovery of Overpayments”.*
- *Government should fix responsibility on the concerned Chief Executive Officers for pendency of accounts.*
- *Government should instruct all Heads of Departments to adhere to codal provisions on reporting all cases of defalcations or loss of public money, stores or other movable or immovable properties to Accountant General.*

CHAPTER V
STATE PUBLIC
SECTOR
UNDERTAKINGS



CHAPTER V

STATE PUBLIC SECTOR UNDERTAKINGS

This chapter discusses the financial performance of Government Companies, Statutory Corporations and Government controlled Other Companies (herein after referred to as Public Sector Undertakings (PSUs)) as revealed from their accounts. Impact of significant comments issued as a result of supplementary audit of the Financial Statements of these PSUs conducted by the CAG of India for the year 2022-23 (or of earlier years which were finalised during the current year) has also been discussed.

5.1 Definition of Government Companies

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

Besides, any other company¹ owned or controlled, directly or indirectly by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Other Companies.

5.2 Mandate of Audit

Audit of Government Companies and Government Controlled Other Companies is conducted by the CAG of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as statutory auditors for Companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

5.3 PSUs and their contribution to the GSDP of the State

PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2023, there were 102 PSUs in Tamil Nadu, including one

¹ Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs *vide* Gazette Notification dated 4 September 2014.

Statutory Corporation² (including two³ inactive PSUs⁴) under the audit jurisdiction of the CAG. The names of these PSUs are given in **Appendix 5.1**. The inactive PSUs have investment of ₹5.27 crore towards capital invested by the State Government. Tamil Nadu State Construction Corporation Limited had outstanding liabilities of ₹29.64 crore, whereas there were no liabilities outstanding in respect of Tamil Nadu Goods Transport Corporation Limited as per their latest finalised accounts. This is a critical area as the investments in inactive PSUs do not contribute to the economic growth of the State.

A ratio of turnover of the PSUs to the GSDP shows the extent of activities of the PSUs in the State economy. The details of turnover of PSUs and GSDP for a period of three years ending 31 March 2023 are given in **Table 5.1** below:

Table 5.1: Details of turnover of PSUs vis-à-vis GSDP of Tamil Nadu

Particulars	(₹ in crore)		
	2020-21	2021-22	2022-23
Turnover	1,14,334.72	1,27,829.39	1,67,841.57
GSDP of Tamil Nadu	17,88,074	20,71,286	23,64,514
Percentage of Turnover to GSDP of Tamil Nadu	6.39	6.17	7.10

(Source: Latest Financial Statement of PSUs)

It can be seen from the table above that the turnover of these PSUs recorded increase during 2022-23 as compared to 2020-21 by 46.80 per cent as per their latest audited accounts available in respective years. However, the contribution of PSUs in GSDP is marginal.

5.4 Investment in PSUs and Budgetary support

5.4.1 Equity holding and Loans in PSUs

The sector-wise Total Equity, Equity Contribution by State Government and Long Term Loans including the loans given by State Government as on 31 March 2023 is given below in **Table 5.2**.

² Tamil Nadu Warehousing Corporation.

³ Tamil Nadu State Construction Corporation Limited and Tamil Nadu Goods Transport Corporation Limited.

⁴ Inactive Government Company means a Company which has not been carrying on any business or operation, or has not made any significant accounting transaction, or has not filed financial statements and annual returns during last two financial years

Table 5.2: Sector-wise investment⁵ in PSUs

(₹ in crore)

Name of Sector	Total Equity	State Government Equity	Total Long Term Loans	State Government Loans	Total Equity and Long Term Loans
Power	55,075.17	29,142.94	1,31,723.21	4,578.45	1,86,798.38
Finance	3,621.92	3,435.30	2,048.42	5.04	5,670.34
Service	7,086.67	7,051.86	15,436.57	4,352.80	22,523.24
Infrastructure	807.63	225.74	2,976.95	392.49	3,784.58
Others	744.86	478.93	1,983.78	386.11	2,728.64
Total	67,336.25	40,334.77	1,54,168.93	9,714.89	2,21,505.18

(Source: Latest Financial Statement of PSUs)

The thrust of PSUs investment was mainly on power sector. The Power sector had received 84.33 per cent (₹1,86,798.38 crore) of total investment of ₹2,21,505.18 crore.

5.4.2 Disinvestment, Restructuring and Privatisation

During the year 2022-23, there was no case of privatisation of PSUs.

5.4.3 Power Sector Companies

As on 31 March 2023, there were five Power Sector PSUs in the State. The Generation and Distribution activities are carried through Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and transmission activities through Tamil Nadu Transmission Corporation Limited (TANTRANSCO) which are subsidiaries of TNEB Limited (Holding company). The other two Power Sector PSUs are Udangudi Power Corporation Limited and Tamil Nadu Power Finance and Infrastructure Development Corporation Limited through which funds are mobilised from public to finance the development activities of the above PSUs. State Government has been providing financial support to Power Sector PSUs in various forms through the annual budget. As of March 2023, the budgetary outgo towards equity, loans and grants/subsidies in respect of Power Sector PSUs for the past three years are as shown in **Table 5.3**:

⁵ Investment includes equity and long term loans.

Table 5.3: Details regarding budgetary support to Power Sector PSUs by State Government

(₹ in crore)

Sl. No	Particulars	2020-21		2021-22		2022-23	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity Capital	1	437.00	3	842.39	0	0.00
2	Loans Given	2	889.37	2	2,180.44	1#	394.55
3	Grants/Subsidy Provided	2	14,277.55	2	15,656.29	1@	26,472.14
	Total		15,603.92		18,679.12		26,866.69
4	Waiver of Loans and interest	0	0.00	0	0.00	0	0.00
5	Guarantees issued	1	36,414.31	1	1,500.00	1	6,000.00
6	Guarantee Commitment	2	1,22,949.36	2	1,39,521.76	2	1,50,313.19

Tamil Nadu Transmission Corporation Limited

@ Tamil Nadu Generation and Distribution Corporation Limited

The grants/subsidy provided by the Government to Tamil Nadu Generation and Distribution Corporation Limited represents tariff subsidy (₹13,783.68 crore) and other revenue grants (₹12,688.46 crore).

5.5 Returns from PSUs

5.5.1 Profit earned by PSUs

Out of 95 PSUs (excluding two inactive PSUs and five PSUs from whom first accounts were not received), 54 earned profit in 2022-23 as per the latest finalised accounts as compared to 43 in 2021-22. The profit earned increased to ₹2,560.42 crore in 2022-23 from ₹1,721.03 crore in 2021-22. The Return on Equity (RoE) of the 54 profit earned PSUs increased to 13.15 per cent in 2022-23 as compared to 10.77 per cent in 43 PSUs in 2021-22. The RoE in all the 95 PSUs including 35 loss making was (-) 0.09 per cent in 2022-23.

The details of top three PSUs which contributed maximum profit are summarised in Table 5.4 below:

Table 5.4: Top three PSUs which contributed maximum profit

Name of PSU	Net profit earned (₹ in crore)	Percentage of Profit to total PSUs profit
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	1,017.17	39.73
Tamil Nadu Newsprint and Papers Limited	387.87	15.14
Tamil Nadu Industrial Development Corporation Limited	228.79	8.94
Total	1,633.83	63.81

(Source: Latest Financial Statements of PSUs)

During 2022-23, net profit of ₹1,633.83 crore constituting 63.81 per cent of total profit of PSUs was contributed by these three PSUs.

5.5.2 Dividend paid by PSUs

The dividend declared/paid by PSUs to GoTN is shown in **Table 5.5** below:

Table 5.5: Dividend Payout of PSUs

(₹ in crore)

Year	No. of PSUs which declared dividend	Paid Up Capital	Net Profit	Dividend Declared
1	2	3	4	5
2019-20	14	2,372.27	716.53	221.63
2021-22	14	2,808.74	681.50	295.22
2022-23	17	3,808.86	1,150.68	311.21

(Source: Latest Financial Statement of PSUs)

17 PSUs paid/declared dividend during 2022-23 as against 14 PSUs during 2019-20 and 2020-21. PSUs in Power Sector had not declared/paid dividend.

5.6 Debt Servicing

5.6.1 Interest Coverage Ratio

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in 37 PSUs which had interest burden are given below in **Table 5.6**.

Table 5.6: Interest coverage ratio of PSUs

Particulars	PSUs having Interest Coverage Ratio ≥ 1			PSUs having Interest Coverage Ratio < 1		
	No. of PSUs	Interest	EBIT	No. of PSUs	Interest	EBIT
		(₹ in crore)			(₹ in crore)	
PSUs	20	1,280.56	2,690.81	17	17,191.04	1,182.65
Total	20	1,280.56	2,690.81	17	17,191.04	1,182.65

(Source: Latest Financial Statement of PSUs)

It was observed that 20 PSUs (including one Statutory Corporation) having interest liability had ICR equal to or more than one indicating that sufficient revenues were available to meet the interest liability. Similarly, 17 PSUs had ICR less than one indicating that these PSUs could not generate adequate revenue to pay off their interest liability.

5.7 Performance of PSUs

5.7.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's EBIT by the capital employed⁶. The details of RoCE during the period from 2020-21 to 2022-23 are given below in **Table 5.7**.

Table 5.7: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (in per cent)
2020-21	(-) 4,301.19	21,646.31	(-) 19.87
2021-22	(-) 1,131.29	11,304.11	(-)10.01
2022-23	6,840.83	6,364.64	107.48

(Source: Latest Financial Statement of PSUs)

It was observed that EBIT was negative in 2020-21 primarily due to poor financial performance of TANGEDCO and TANTRANSOCO. The EBIT registered improvement in 2021-22 (though negative) and became positive during 2022-23 due to increase in revenue of TANGEDCO after the implementation of revised tariff from September 2022 onwards. Further, the Capital employed registered decrease successively from 2020-21 onwards mainly due to increase in accumulated losses of TANGEDCO. Consequently, the RoCE became positive during 2022-23.

5.7.2 Return on Equity by PSUs

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund is calculated by adding paid up capital and free reserves minus net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's stakeholders if all assets were sold and all debts paid. A positive shareholders fund reveals that the company has enough assets to cover its liabilities while negative shareholder equity means liabilities exceed assets.

⁶ Capital Employed = Paid up Share capital *plus* Free Reserves and surplus *plus* Long term loans *less* Accumulated losses *less* Deferred Revenue Expenditure.

The consolidated RoE of PSUs during the period from 2020-21 to 2022-23 shows that both the Net Profit after Tax and Shareholders' Equity were negative, thus no return was available during these three years.

5.8 PSUs incurring losses

5.8.1 Losses incurred

There were 35 PSUs⁷ that incurred losses as per their latest finalised accounts at the end of March 2023. The losses incurred by these PSUs decreased to ₹16,047.99 crore in 2022-23 as per their latest finalised accounts from ₹25,542.52 crore in 2020-21 as given below in **Table 5.8**.

Table 5.8: Number of PSUs that incurred losses during 2020-21 to 2022-23
(₹ in crore)

Year	No of loss making PSUs	Net loss for the year	Accumulated loss	Net Worth ⁸
2020-21	33	25,542.52	1,64,785.03	(-)1,05,425.53
2021-22	34	22,232.33	1,83,123.14	(-)1,25,300.27
2022-23	35	16,047.99	2,26,051.29	(-)1,67,419.82

It is pertinent to mention that the State Government had invested ₹32,583.71 crore as on 31 March 2023 in the form of equity in these 35 loss making PSUs without any return in the form of dividend. In 2022-23, out of total loss of ₹16,047.99 crore incurred by 35 PSUs, significant loss of ₹9,847.75 crore was incurred by two power sector PSUs⁹ and ₹6,077.86 crore was incurred by eight¹⁰ transport undertakings. Out of the above 35 loss making PSUs in 2022-23, 31 PSUs had accumulated loss of ₹2,26,184.21 crore and four PSUs¹¹ had accumulated profit of ₹132.92 crore aggregating to net accumulated loss of ₹2,26,051.29 crore. Out of 31 PSUs which had accumulated losses, the net worth of 21 PSUs had been completely eroded.

⁷ excludes two non-workings PSUs.

⁸ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

⁹ Tamil Nadu Generation and Distribution Corporation Limited and Tamil Nadu Transmission Corporation Limited

¹⁰ Metropolitan Transport Corporation Limited, State Express Transport Corporation Limited, Tamil Nadu State Transport Corporation (Coimbatore) Limited, Tamil Nadu State Transport Corporation (Kumbakonam) Limited, Tamil Nadu State Transport Corporation (Salem) Limited, Tamil Nadu State Transport Corporation (Villupuram) Limited, Tamil Nadu State Transport Corporation (Madurai) Limited and Tamil Nadu State Transport Corporation (Tirunelveli) Limited.

¹¹ Overseas Manpower Corporation Limited, IT Expressway, Tamil Nadu Handicrafts Development Corporation Limited and Poompuhar Shipping Corporation Limited.

5.8.2 Erosion of Capital in PSUs

As on 31 March 2023, there were 39 PSUs (31 PSUs which made loss during the year 2022-23 and also have accumulated losses as mentioned in **Para 5.8.1** and eight PSUs which made profit during the year but had accumulated losses) with accumulated losses of ₹2,26,542.53 crore. Of these 39 PSUs, 31 PSUs incurred losses amounting to ₹16,016.09 crore and eight PSUs had not incurred loss, even though they had accumulated loss of ₹358.32 crore as per their latest accounts finalised.

The net worth of 23 out of 39 PSUs had been completely eroded by accumulated loss and their net worth was negative. The details are indicated in **Appendix 5.2**. The net worth of these 23 PSUs was (-) ₹1,93,132.99 crore against equity investment of ₹33,263.46 crore as on 31 March 2023. Out of 23 PSUs, whose capital had been eroded (being negative net worth), two PSUs¹² had earned profit of ₹25.57 crore during 2022-23.

The 23 PSUs whose net worth was eroded included two power sector PSUs and 21 non power sector PSUs. The two power sector PSUs incurred operational expenditure of ₹95,878.96 crore as against operational income of ₹84,290.71 crore. The 21 non-power sector PSUs incurred operational expenditure of ₹48,247.51 crore as against operational income of ₹39,573.58 crore as per their latest finalised accounts. Thus the 23 PSUs¹³ whose net worth was eroded incurred operational expenditure of ₹1,44,126.47 crore as against operational income of ₹1,23,864.29 crore. It is pertinent to mention that the State Government had been continuing budgetary support in the form of grants/subsidies etc., amounting to ₹26,472.14 crore to one power sector PSU (TANGEDCO) and ₹2,945.01 crore to nine non power sector PSUs during 2022-23, of which eight belong to Transport sectors.

Out of the above 23 PSUs, 22 PSUs finalised their accounts for 2022-23 and only one PSU's accounts was in arrears for one year.

5.9 Audit of PSUs

CAG appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the Legislature.

5.10 Appointment of statutory auditors of PSUs by CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company

¹² Perambalur Sugar Mills Limited and Pallavan Transport Consultancy Services Limited

¹³ The liabilities/establishment expenditure of the net worth eroded PSUs were met from internal generation, working capital arrangement with banks etc.

are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

The statutory auditors of the above Companies for the year 2022-23 were appointed by the CAG from September 2022 onwards.

5.11 Submission of accounts by PSUs

5.11.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Body Meeting¹⁴ (AGM). As soon as may be after such preparation, the Annual Report must be laid before Legislature, together with a copy of the Audit Report and comments of the CAG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

The annual accounts of various PSUs which were pending are detailed in the following paragraph.

5.11.2 Timeliness in preparation of accounts by PSUs

As of 31 March 2023, there were 102 PSUs (including one statutory corporation) under the purview of CAG's audit. Of these, accounts for the year 2022-23 were due from 100 PSUs (excluding two inactive PSUs). However, 91 PSUs submitted their accounts (including accounts of previous years) for audit by CAG by 31 December 2023. Accounts of 16 PSUs were in arrears for various reasons. Details of arrears in submission of accounts by PSUs are given in **Table 5.9**.

¹⁴ In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case within a period of six months, from the date of closing of the financial year *i.e.* 30 September.

Table 5.9: Details of arrears in submission of accounts by PSUs

Sl. No.	Particulars	No. of PSUs	
1	Total number of Companies under the purview of CAG's audit as on 31.03.2023	102	
2	Less: New Companies from which accounts for 2022-23 were not due	00	
3	Number of companies from which accounts for 2022-23 were due	100 ¹⁵	
4	Number of companies which presented the accounts for the year 2022-23 for CAG's audit by 31 December 2023.	84 ¹⁶	
5	Number of accounts in arrears (16 PSUs)	22	
6	Break- up of Arrears	(i) Under Liquidation	0
		(ii) Defunct	0
		(iii) Others	22
7	Age-wise analysis of arrears against 'Others' category	(i) One year (2022-23)	11
		(ii) Two years (2021-22 and 2022-23)	8
		(iii) Three years and more	3

The State Government had made investment in the form of equity and loans in the PSUs whose accounts had been falling in arrears and hence, the non-finalisation of accounts by these companies would lead to the Government investments remaining outside the oversight of Audit as well as the State Legislature thereby making them highly susceptible to instances of fraud and misappropriation.

5.12 CAG's oversight – Audit of accounts and supplementary audit

5.12.1 Financial reporting framework

Companies are required to prepare the Financial Statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such Corporations.

5.12.2 Audit of accounts of Government Companies by statutory auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

¹⁵ Excludes two inactive companies

¹⁶ Represents number of accounts received and certified by CAG for 2022-23

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of Public Sector Undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.12.3 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of Financial Statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the Financial Statements under Section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected PSUs along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

5.13 Result of CAG's oversight role

5.13.1 Audit of accounts of Government Companies under Section 143 of the Companies Act, 2013

The Financial Statements of 91 PSUs (including one Statutory Corporation) pertaining to the year 2022-23 and previous years were received for audit by CAG by 31 December 2023. Of which, 59 Financial Statements of PSUs were reviewed in audit by the CAG and Non Review Certificate was issued for 27 PSUs (five under process). The results of the review are detailed below:

5.13.2 Revision of Auditors Report

The statutory auditors' reports on eight Financial Statements were revised as a result of supplementary audit of the Financial Statements conducted by the CAG.

5.13.3 Significant comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies

Subsequent to the audit of the Financial Statements for the year 2022-23 and previous years by statutory auditors, the CAG conducted supplementary audit of the Financial Statements of 59 PSUs by 31 December 2023.

Comments were issued on Financial Statements of three PSUs, the financial impact of which was ₹393.52 crore on the profitability.

5.14 Management letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of Financial Statements, between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the Financial Statements of Public Sector Undertakings were reported as comments by the CAG under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process, were also communicated to the Management through ‘Management Letter’ for taking corrective action. During the year, CAG issued Management Letters to 27 PSUs on the deficiencies related to accounting treatment and policies, non-compliance to accounting standards on disclosures and non-compliance to assurances to audit on rectification of errors, etc.

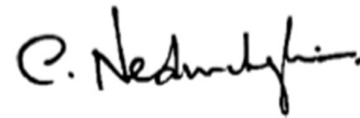
5.15 Conclusion

This Chapter presents the financial performance of Public Sector Undertakings measured by ratios indicating their operating efficiency and return on investment. This Chapter also deals with oversight role of CAG by monitoring the performance of the statutory auditors with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively.

- As on 31 March 2023, there were 102 PSUs including one Statutory Corporation. Of these PSUs, two were inactive.
- Out of the total profit of ₹2,560.42 crore earned by PSUs, 63.81 *per cent* was contributed by only three PSUs. Out of total loss of ₹16,047.99 crore incurred by 35 PSUs, loss of ₹15,926.60 crore was contributed by three Power and eight Transport sector PSUs.
- Analysis revealed that 39 PSUs had an aggregate accumulated losses of ₹2,26,542.53 crore and of these 39 PSUs, the net worth of 23 PSUs had been completely eroded by accumulated losses and their net worth was negative. The net worth of these 23 PSUs was (-)₹1,93,132.99 crore against equity investment of ₹33,263.46 crore.
- The overall Return on Equity in all PSUs was negative as the overall net income and shareholders’ fund of these PSUs were negative during 2022-23.
- PSUs were not adhering to the prescribed timeline regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 22 accounts of 16 PSUs were in arrears.

5.16 Recommendations

- Government may consider setting up an expert committee to identify and fix the operational inefficiencies and prepare a time bound action plan for revival of the loss making PSUs.
- The State Government should analyse the business models of the loss making PSUs in order to address the root cause of the losses and further consider the sustainability of these business models employed as they are a drain on the public exchequer.
- State Government may ensure timely submission of Financial Statements of PSUs, as in the absence of finalisation of accounts, Government investments in such PSUs remain outside the oversight of the State Legislature.



(C. NEDUNCHEZHIAN)
Principal Accountant General (Audit-I),
Tamil Nadu

Chennai
The 18 June 2024

Countersigned



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi
The 27 June 2024

APPENDICES



Appendix 1.1
(Reference: Paragraph 1.2)
State Profile

A. General Data			
Sl. No.	Particulars		Figures
1	Area		1,30,058 sq.km.
2	Population		
	(a)	As per 2011 Census	7.21 crore
	(b)	in 2023*****	7.69 crore
3	(a)	Density of Population (as per 2001 Census) (All India Density = 325 persons per sq.km)	480 persons per sq.km.
	(b)	Density of Population (2023) (All India Density = 422.26 persons per sq.km)	590.96 persons per sq.km.
4	Population below poverty line* (BPL) (All India Average = 21.92 per cent)		11.28 per cent
5	Literacy** (as per 2011 Census) (All India Average = 73.00 per cent)		80.10 per cent
6	Infant mortality*** (per 1,000 live births) (All India Average (2020) = 28 per 1,000 live births)		13
7	Life Expectancy at birth**** (All India Average (2016-20) = 70 years)		73.2
8	Gross State Domestic Product (GSDP) 2022-23 at current prices		₹ 23,64,514 crore
	Per capita GSDP CAGR (2013-14 to 2022-23)		9.88 per cent
9	GSDP CAGR* (2013-14 to 2022-23)	Tamil Nadu	10.43 per cent
10	Population and Decadal Growth (2013 to 2023*****)	Tamil Nadu	5.08 per cent
B. Financial Data			
Particulars			
CAGR@		2021-22 to 2022-23	
		General States	Tamil Nadu
(In per cent)			
a	of Revenue Receipts	13.41	17.47
b	of Own Tax Revenue	19.78	22.27
c	of Non Tax Revenue	12.94	40.81
d	of Total Expenditure	12.53	10.88
e	of Capital Expenditure	14.18	6.81
f	of Revenue Expenditure on Education	13.21	15.91
g	of Revenue Expenditure on Health	0.88	(-) 1.51
h	of Revenue Expenditure on Salaries and Wages	8.52	13.28
i	of Revenue Expenditure on Pension	11.38	25.39

* Ministry of Statistics and Programme Implementation (MoSPI)

** Economic Survey 2021-22

*** Sample Registration Systems (SRS) Bulletin (2020)

**** SRS based Abridged Life Tables 2016-20, Registrar General of India

***** Population Projections for India and States 2011-2036 by National Commission on Population, Ministry of Health & Family Welfare

@ Compound Annual Growth Rate

(Source: Financial data is based on Finance Accounts of State Government)

Appendix 1.2
(Reference: Paragraph 1.4)

Part A: Structure and Form of Government Accounts		
Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.		
Part I: Consolidated Fund: All Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances forms the Consolidated Fund of the State.		
Part II: Contingency Fund: Legislature may by law establish a Contingency Fund which is in the nature of an imprest. The Fund is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the functional major head concerned in the Consolidated Fund of the State.		
Part III: Public Account: All other public moneys received by or on behalf of the Government are credited to the Public Account. The expenditure out of this account is not subject to the vote of the Legislature. In respect of the receipts into this account, Government acts as a banker or trustee. Transactions relating to Debt (other than Public Debt in Part I), Deposits, Advances, Reserve Funds, Remittances and Suspense form the Public Account.		
Part B: Layout of Finance Accounts		
Statement	Title	Layout
	Volume I	
Statement No.1	Statement of Financial Position	Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are valued at historical cost. The assets comprise Financial Assets and Physical Assets. The latter are shown against “(i) Capital Expenditure and (ii) Other Capital Expenditure” in this Statement.
Statement No.2	Statement of Receipts and Disbursements	This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, the Consolidated Fund, Contingency Fund and Public Account. Further, within the Consolidated Fund, receipts and expenditure on revenue and capital account are depicted distinctly.
Statement No.3	Statement of Receipts (Consolidated Fund)	This Statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the Government of India, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
Statement No.4	Statement of Expenditure (Consolidated Fund)	This Statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).
Statement No. 5	Statement of Progressive Capital Expenditure	This Statement details progressive capital expenditure by functions, the aggregate of which is depicted in Statement 1.
Statement No.6	Statement of Borrowings and other Liabilities	Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the Government of India. Both these together form the public debt of the State Government. In addition, this summary statement depicts ‘other liabilities’ which are the balances under various sectors in the Public Account. In respect of the latter, the Government acts as a trustee or custodian of the funds, hence, these constitute liabilities of the Government. The Statement also contains an Explanatory Note, i.e. a note on the quantum of net interest charges met from Revenue Receipts.
Statement No.7	Statement of Loans and Advances given by the Government	The Loans and Advances given by the State Government are depicted in Statement 1 and recoveries, disbursements feature in Statements 2, 3 and 4. Here, Loans and Advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, details of which are maintained by the State Government departments.

Statement	Title	Layout
Statement No.8	Statement of Investments of the Government	The summarised position of Government investment in the share capital of different concerns is depicted in this statement for the current and previous year.
Statement No.9	Statement of Guarantees given by the Government	Sector wise summarised statement of Guarantees given by the State Government for repayment of Principal and interest on loans raised during the year and sums guaranteed outstanding as at the end of the year are presented in this Statement.
Statement No.10	Statement of Grants-in-aid given by the Government	This Statement has been presented grantee institutions group wise. It includes a note on grants given in kind also.
Statement No.11	Statement of Voted and Charged Expenditure	This Statement presents details of voted and charged expenditure of the Government.
Statement No.12	Statement on Sources and Application of funds for expenditure other than on Revenue Account	The capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure are depicted in this Statement.
Statement No.13	Summary of balances under Consolidated Fund, Contingency Fund and Public Account	This statement assists in providing the accuracy of the accounts.
Volume II		
Statement No.14	Detailed Statement of Revenue and Capital Receipts by minor heads	This Statement presents the revenue and capital receipts of the Government in detail.
Statement No.15	Detailed Statement of Revenue Expenditure by minor heads	This Statement presents the details of revenue expenditure of the Government in detail. A comparison with the figures for the previous year is available.
Statement No.16	Detailed Statement of Capital Expenditure by minor heads and sub heads	This Statement presents the details of capital expenditure of the Government in detail. A comparison with the figures for the previous year is available. Cumulative capital expenditure up to the end of the year is also depicted.
Statement No.17	Detailed Statement of Borrowings and other Liabilities	Details of borrowings (market loans raised by the Government and Loans, etc., from GoI) by minor heads, the maturity and repayment profile of all loans are provided in this statement. This is the detailed statement corresponding to Statement 6.
Statement No.18	Detailed Statement of Loans and Advances given by the Government	Details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc., are presented in this statement. This is the detailed statement corresponding to Statement 7.
Statement No.19	Detailed Statement of Investments of the Government	Details of the position of Government Investment in the share capital of different concerns are depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received, etc.
Statement No.20	Detailed Statement of Guarantees given by the Government	Guarantees given by the State Government for repayment of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this Statement.
Statement No.21	Detailed Statement on Contingency Fund and Public Account transactions	This Statement shows changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped, etc. It also depicts the transactions in Public Account in detail.
Statement No.22	Detailed Statement on Investments of Earmarked Funds	This Statement shows the details of investment out of Reserve Funds in Public Account.

Appendix 1.3
(Reference: Paragraph 1.4)

Part A: Methodology adopted for assessment of Fiscal Position	
<p>The norms/ceilings prescribed by the FFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the Government in the Tamil Nadu Fiscal Responsibility Act, 2003 and in other Statements required to be laid in the Legislature under the Act (Part B of this Appendix) are used to make qualitative assessment of the trends and patterns of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.</p> <p>The definitions of some of the selected terms used in assessing the trends and patterns of fiscal aggregates are given below:</p>	
Terms	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1] * 100$
Development Expenditure	Social Services expenditure + Economic Services expenditure
Average interest paid by the State	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest receipts as percentage of outstanding Loans and Advances	$\text{Interest Received} = [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Surplus	Revenue Receipts- Revenue Expenditure
Fiscal Surplus	Revenue Receipts + Miscellaneous Capital Receipts - (Revenue Expenditure + Capital Expenditure + Net Loans and Advances)
Primary Surplus	Fiscal Surplus - Interest payments
Part B: The Tamil Nadu Fiscal Responsibility Act, 2003	
<p>The State Government enacted the Tamil Nadu Fiscal Responsibility Act, 2003 which was amended first to bring it in line with the requirements prescribed by the Twelfth Finance Commission followed by Thirteenth, Fourteenth and Fifteenth Finance Commissions to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. The Act prescribed the following fiscal management targets:</p>	
(a)	Reduce the ratio of revenue deficit to revenue receipts every year by three to five <i>per cent</i> depending on the economic situation in that year beginning from financial year 2002-03 and eliminate revenue deficit by 2023-24 and adhere to it thereafter.
(b)	Maintain the ratio of fiscal deficit to GSDP as not more than three <i>per cent</i> by 31 March 2024 and adhere to it thereafter.
(bb)	Maintain the ratio of total outstanding debt to GSDP with medium term goal of not being more than 24.50 <i>per cent</i> during 2011-12; 24.80 <i>per cent</i> during 2012-13; 25.00 <i>per cent</i> during 2013-14; 25.20 <i>per cent</i> during 2014-15 and thereafter maintain such <i>per cent</i> as may be prescribed.
(c)	Cap outstanding guarantees within 100.00 <i>per cent</i> of revenue receipts of previous year or 10.00 <i>per cent</i> of GSDP, whichever is lower.

Appendix 2.1
(Reference: Paragraph 2.1)
Time series data on the State Government finances

	2018-19	2019-20	2020-21	2021-22	2022-23
<i>(₹ in crore)</i>					
Part A. Receipts					
1 Revenue Receipts	1,73,741 (38)	1,74,526 (34)	1,74,076 (28)	2,07,492 (33)	2,43,749 (30)
(i) Own Tax Revenue	1,05,534 (61)	1,07,462 (62)	1,06,153 (61)	1,22,866 (59)	1,50,223 (62)
State Goods and Service Tax (SGST)	38,533 (37)	38,376 (36)	37,942 (36)	45,277 (37)	53,823 (36)
Taxes on Agricultural Income	..	..	..	..	..
Taxes on Sales, Trade, etc.	42,701 (40)	44,515 (41)	43,489 (41)	48,668 (40)	59,143 (39)
State Excise	6,863 (7)	7,206 (7)	7,822 (7)	8,237 (7)	10,423 (7)
Taxes on Vehicles	5,573 (5)	5,675 (5)	4,561 (4)	5,627(5)	7,513 (5)
Stamps and Registration fees	11,066 (10)	10,856 (10)	11,675 (11)	14,331 (12)	17,560 (12)
Land Revenue	178 (..)	258 (..)	211 (..)	205 (..)	248 (..)
Taxes on Goods and Passengers	3 (..)	11 (..)	2 (..)	12 (..)	5 (..)
Other Taxes	617 (1)	565 (1)	451 (..)	509 (..)	1,508 (1)
(ii) Non-Tax Revenue	14,200 (8)	12,888 (7)	10,422 (6)	12,117 (6)	17,061 (7)
(iii) State's share of Union taxes and duties	30,639 (18)	26,393 (15)	24,924 (14)	37,458 (18)	38,731 (16)
(iv) Grants-in-aid from Government of India	23,368 (13)	27,783 (16)	32,577 (19)	35,051 (17)	37,734 (15)
2 Miscellaneous Capital Receipts	..	..	..	..	42 (..)
3 Recoveries of Loans and Advances	6,913 (1)	5,384 (1)	5,245 (1)	5,355 (1)	1,078 (..)
4 Total Revenue and Non debt capital receipts (1+2+3)	1,80,654	1,79,910	1,79,321	2,12,847	2,44,869
5 Public Debt Receipts	47,936 (10)	66,774 (13)	1,02,867 (17)	1,04,485 (17)	1,01,062 (12)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	45,596	64,784	91,997	90,843	90,807
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	..
Loans and Advances from Government of India	2,340	1,990	10,870	13,642	10,255
6 Total Receipts in the Consolidated Fund (4+5)	2,28,590	2,46,684	2,82,188	3,17,332	3,45,931
7 Contingency Fund Receipts	..	10	..	..	..
8 Public Account Receipts	2,34,439 (51)	2,61,483 (52)	3,36,178 (54)	3,98,157 (56)	4,79,342 (58)
9 Total Receipts of the State (6+7+8)	4,63,029	5,08,177	6,18,366	7,15,489	8,25,273
Part B. Expenditure/Disbursement					
10 Revenue Expenditure	1,97,200 (42)	2,10,435 (42)	2,36,402 (39)	2,54,030(36)	2,79,964 (34)
General Services (including interest payments)	72,450	78,138	78,993	84,894	99,097
Social Services	70,202	73,999	89,805	88,749	88,967
Economic Services	39,669	42,610	51,808	60,898	71,974
Grants-in-aid and contributions	14,879	15,688	15,796	19,489	19,926
11 Capital Expenditure	24,311 (5)	25,632 (5)	33,067 (5)	37,011 (5)	39,530 (5)
Plan	..	..	..	..	..
Non Plan	..	..	..	..	..
General Services	858	1,064	936	780	1,041
Social Services	6,996	5,860	10,831	14,985	14,324
Economic Services	16,457	18,708	21,300	21,246	24,165
12 Disbursement of Loans and Advances	6,478 (1)	4,022 (1)	3,835 (1)	3,641 (1)	7,261 (1)
13 Total (10+11+12)	2,27,989	2,40,089	2,73,304	2,94,682	3,26,755
14 Repayments of Public Debt	15,064 (3)	17,866 (3)	16,228 (3)	19,737 (3)	27,105 (3)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	13,881	16,510	14,874	18,385	25,377
Net transactions under Ways and Means Advances and Overdraft	..	..	..	..	..
Loans and Advances from Government of India	1,183	1,356	1,354	1,352	1,728
15 Appropriation to Contingency Fund	..	..	..	..	..
16 Total disbursement out of Consolidated Fund (13+14+15)	2,43,053	2,57,955	2,89,532	3,14,419	3,53,860
17 Contingency Fund disbursements	10	..	..	..	..
18 Public Account disbursements	2,23,930 (48)	2,44,023 (49)	3,23,189 (53)	3,83,757 (55)	4,62,459 (57)
19 Total disbursement by the State (16+17+18)	4,66,993	5,01,978	6,12,721	6,98,176	8,16,319

State Finances Audit Report, Tamil Nadu for the year ended March 2023

	2018-19	2019-20	2020-21	2021-22	2022-23
Part C. Deficits/Surplus					
20 Revenue Deficit (1-10)	23,459	35,909	62,326	46,538	36,215
21 Fiscal Deficit (4-13)	47,335	60,179	93,983	81,835	81,886
22 Primary Deficit (21+23)	18,578	28,199	57,486	40,271	34,975
Part D. Other data					
23 Interest Payments (included in revenue expenditure)	28,757	31,980	36,497	41,564	46,911
24 Financial Assistance to Local Bodies, etc.,	14,880	15,688	15,796	19,489	19,926
25 Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	..	..	..	..	..
Overdraft availed (days)	..	..	..	..	..
26 Interest on Ways and Means Advances/Overdraft	..	..	..	..	..
27 Gross State Domestic Product (GSDP)	16,30,209	17,43,144	17,88,074	20,71,286	23,64,514
28 Outstanding Fiscal liabilities (year-end)	3,68,736	4,23,743	5,18,796	6,10,667	6,91,591
29 Outstanding guarantees (year-end) (including interest)	44,163	47,319	65,659	91,975	90,709
30 Maximum amount guaranteed (year-end)	83,140	4,669	44,656	64,176	40,565
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
31 Own Tax revenue/GSDP	6.47	6.16	5.94	5.93	6.35
32 Own Non-Tax Revenue/GSDP	0.87	0.74	0.58	0.58	0.72
33 Central Transfers/GSDP	1.88	1.51	1.39	1.81	1.64
II Expenditure Management					
34 Total Expenditure/GSDP	13.99	13.77	15.28	14.23	13.82
35 Total Expenditure/Revenue Receipts	131.22	137.57	157.00	142.02	134.05
36 Revenue Expenditure/Total Expenditure	86.50	87.65	86.50	86.20	85.68
37 Revenue Expenditure on Social Services/Total Expenditure	30.79	30.82	32.86	30.12	27.23
38 Revenue Expenditure on Economic Services/Total Expenditure	17.40	17.75	18.96	20.67	22.03
39 Capital Expenditure/Total Expenditure	10.66	10.68	12.10	12.56	12.10
40 Capital Expenditure on Social and Economic Services/Total Expenditure	10.29	10.23	11.76	12.29	11.78
III Management of Fiscal Imbalances					
41 Revenue deficit/GSDP	1.44	2.06	3.49	2.25	1.53
42 Fiscal deficit/GSDP	2.90	3.45	5.26	3.95	3.46
43 Primary Deficit/GSDP	1.14	1.62	3.21	1.94	1.48
44 Revenue Deficit/Fiscal Deficit	49.56	59.67	66.32	56.87	44.23
IV Management of Fiscal Liabilities					
45 Fiscal Liabilities/GSDP	22.62	24.31	28.67	28.79	28.64
46 Fiscal Liabilities/RR	212.23	242.80	298.03	294.31	283.73
47 Debt Redemption (Principal +Interest)/Total Debt Receipts	82.14	66.73	45.89	52.89	66.58
V Other Fiscal Health Indicators					
48 Return on Investment	0.62	0.45	0.37	0.49	0.68
49 Financial Assets/Liabilities	0.83	0.79	0.76	0.66	0.63

Figures in brackets represent percentages (rounded) to total of each sub-heading

Explanatory Notes

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

Appendix 2.2
(Reference: Paragraph 2.3.2.3)
Delay in release of funds to Single Nodal Agency (SNA)

Delay in transfer of Central Government share

(₹ in crore)

Sl. No.	Name of the scheme	Central Government release amount	Central Government release date	Date of Central Government share to be transferred to SNA (21 days from the date of central release)	Actual date of transfer of Central Government share	Delay in days
1.	Implementation of Project Tiger Scheme	5.01	17-01-2023	07-02-2023	17-02-2023	10
2.	PMAY	160.83	25-03-2022	15-04-2022	05-05-2022	20

Delay in transfer of State Government share

(₹ in crore)

Sl. No.	Name of the scheme	State share amount	Date of State Government share to be released (40 days from the date of release of central Government)	Actual date of release of state Government share	Delay in days
1.	National Mission on Edible Oil – Oil Palm	1.13	05-11-2022	25-11-2022	20
2.	PMAY	107.22	04-05-2022	05-05-2022	1

(Source : Details furnished by the Department)

Appendix 2.3
(Reference: Paragraph 2.4.2.5)
Recoveries of ₹ one crore and above under 'Minor Head – 911'

Sl. No	Head of Account	Description	Recovery of Expenditure (in ₹)
1	2235.60.200.KG	Dr. Muthulakshmi Reddy Maternity Assistance Scheme for the female members of Below Poverty Line families for delivery(200)	5,84,54,58,000
2	2401.00.110.JJ	State's Share towards Premium Subsidy under Pradhan Mantri Fasal Bima Yojana (PMFBY) for Agriculture Crops	2,25,21,90,159
3	2425.00.108.KD	Interest Subsidy to Co-operative institutions towards reduced interest for crop loans to the farmers	1,97,27,49,306
4	2210.06.101.KE	Menstrual Hygiene Programme	1,47,64,55,986
5	2210.80.789.JC	Chief Ministers Comprehensive Health Insurance Scheme	1,33,67,74,000
6	2405.00.103.JS	Livelihood Support to Coastal Fishermen during the Fishing ban period	52,65,38,000
7	2225.01.277.KM	Educational Concessions	40,96,71,957
8	2217.80.001.AG	Regional Town Planning	28,62,69,790
9	2204.00.104.KR	Grants to Sports Development Authority of Tamil Nadu for conducting Sports Competitions	25,05,12,000
10	2070.00.800.QA	World Bank assisted scheme under Emergency Tsunami Reconstruction Project (ETRP) - Project Management Unit - Revenue Administration	25,04,50,000
11	2225.03.277.SA	Scholarships to Students belonging to Minority Communities	13,46,28,937
12	2435.01.101.AC	Establishment charges for the provincialised employees of the Agricultural market committees	11,64,00,000
13	2203.00.108.AA	Conduct of Examinations	11,63,24,391
14	2245.80.800.AH	Disaster preparedness / preventive measures to contain the outbreak of Corona Virus (Covid-19)	9,90,63,582
15	2852.08.202.JA	Grants to SIPCOT for setting up of Textile Park	9,00,00,000
16	2236.02.102.KN	Puratchithalaivar MGR Nutritious Meal Programme for children in the age group of 10 to 14 in the Government and aided schools	8,48,11,824
17	2071.01.101.AA	Payment to Tamil Nadu Government Pensioners	7,41,79,964
18	2217.05.800.KA	Schemes implemented in Urban Local Bodies under Infrastructure and Amenities Fund	6,68,75,540
19	2217.80.001.AA	Director of Town Planning	5,92,04,077
20	2041.00.800.AG	Implementation of Road Safety Programme	5,89,83,008
21	2225.01.789.JA	Supply of Text Books under Special Component Plan Directorate of Elementary Education	5,41,11,213
22	2210.06.003.AB	Training of Health Visitors	5,33,49,954
23	2071.01.117.AA	Government Contribution for Tamil Nadu Government Employees	4,93,75,591
24	2202.01.108.JC	Supply of Text Books to Students	4,61,52,040
25	2225.01.277.AV	Special Scholarship Scheme to Scheduled Caste students who are at post-matric level	4,54,13,345
26	2071.01.101.AC	Dearness Allowance to Pensioners	4,39,74,356
27	2225.01.283.JA	Interest Subsidy to Scheduled Castes for the Construction of Houses under Rural Housing Schemes	4,39,50,392
28	2403.00.101.KR	Livestock Protection Programme	4,31,58,163
29	2250.00.103.AE	Repairs to Temples	3,97,22,914
30	2245.02.114.AA	Subsidy to Small and Marginal Farmers for Agricultural Inputs due to Flood	3,67,66,647
31	2225.01.277.AA	School Education	3,55,79,059
32	2235.60.102.UA	Social Security Net - Indira Gandhi National Old Age Pension	3,45,68,456
33	2202.02.004.JJ	State Council of Educational Research and Training	3,18,93,443
34	2071.01.105.AA	Family pension to Tamil Nadu Government pensioners	3,09,01,479
35	2225.01.800.JB	Assistance to Technically Trained persons	2,99,63,377
36	2235.02.103.LT	Financial Assistance for Marriage of Girls Below Poverty Line under "Moovalur Ramamirtham Ammaiyar Ninaivu Thirumana Thittam"	2,93,60,670

Sl. No	Head of Account	Description	Recovery of Expenditure (in ₹)
37	2217.01.001.AA	Transport and Traffic Studies for Class I Cities	2,59,69,625
38	2851.00.103.KN	Payment of premium for Tamil Nadu Co-operative Handloom Weavers under Bunkar Bima Yojana Scheme	2,44,51,463
39	2225.01.277.SF	Government of India Pre-Matric Scholarship	2,38,44,675
40	2235.60.200.JK	Free distribution of Handloom Cloth to the People Below Poverty Line	2,37,27,381
41	2049.03.117.AE (C)	Interest on Defined Contributory Pension Scheme for Tamil Nadu State Government Employees-Government Contribution	2,31,09,762
42	2210.01.110.AA	District Headquarters Hospitals	2,31,02,233
43	2053.00.094.AN	Establishment for Acquisition of Lands for Growth Centre by SIPCOT Limited	2,07,97,570
44	2405.00.103.KB	Establishing Crushing Blocks for the Preservation of Fishes at Fishing Harbours in Tamil Nadu	2,00,00,000
45	2852.07.101.AC	Amma Call Centre	1,71,55,658
46	2225.01.277.SA	Educational Concessions	1,54,15,503
47	2235.60.789.JC	Dr.Muthulakshmi Reddy Maternity Assistance Scheme for the female members of below poverty line families for delivery under Special Component Plan	1,36,96,000
48	2029.00.001.SA	Census of Irrigation Schemes Plan	1,31,31,367
49	3456.00.102.UB	Fortification of Rice and its distribution under Public Distribution System	1,05,23,177
50	2401.00.793.UA	Integrated Cereals Development in Coarse Cereals (ICDP coarse cereal) Accelerated Maize Development Programme (AMDP)	1,04,17,612
51	2205.00.102.AA	Encouragement of Artists and Men of Letters	1,02,59,582
52	2235.02.789.JF	Financial Assistance for Marriage of Girls Below Poverty Line under "Moovalur Ramamirtham Ammaiyar Ninaivu Thirumana Thittam" under Special Component Plan	1,02,00,000
53	2225.01.377.JY	Special incentive scheme to promote literacy among scheduled caste girls studying VI standard to VIII standard	1,01,59,136
54	2405.00.911.UB	Relief Scheme for Tamil Nadu Marine Fishermen during Lean Months	1,00,29,910
		Total	16,46,17,72,274

(Source: Detailed Appropriation Accounts for the year 2022-23)

Appendix 2.4
(Reference: Paragraph 2.4.3.2 (i))
‘Differences in balances between Statement 16 and Statement 19’

(₹ in lakh)

Sl. No	Head of Account / Investment in	Investment at the end of 31 March 2023 as per Statement 19	Investment at the end of 31 March 2023 as per Statement 16	Difference
1	4217-60-190 Investments in Chennai Metro Rail Limited	3,63,378.00	5,55,192.27	(-) 1,91,814.27
2	4225-01-190 Investments in Tamil Nadu Adi Dravidar Housing and Development Corporation	9,659.50	10,996.50	(-) 1,337.00
3	4406-01-190 Investment in Tamil Nadu Forest Plantation Corporation Limited	564.00	376.00	188.00
4	4407-03-190 Investments in Arasu Rubber Corporation Limited	1,307.00	845.00	462.00
5	4801-80-190 Investments in Tamil Nadu Power Finance and Infrastructure Development Corporation	3,76,700.00	5,000.00	3,71,700.00
6	4851-00-190 Investments in Tamil Nadu Small Industries Development Corporation Limited	2,514.00	870.00	1,644.00
7	4853-01-190 Investments in Tamil Nadu Minerals Limited	1,573.89	1,339.00	234.89
8	4860-04-190 Investments in Tamil Nadu Sugar Corporation Limited	21,824.36	1,33,349.58	(-) 1,11,525.22
9	4875-60-190 Investments in State Industries Promotion Corporation of Tamil Nadu Limited	11,417.51	5,791.25	5,626.26
10	4875-60-190 Investments in Tamil Nadu Cements Corporation Limited	11,131.80	3,741.80	7,390.00
11	5055-00-190 Investments in Metropolitan Transport Corporation (Chennai) Limited Chennai	8,90,290.15	86,006.39	8,04,283.76
12	5055-00-190 Investments in Tamil Nadu State Transport Developments Finance Corporation Limited	2,98,128.82	2,52,922.82	45,206.00
13	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Salem) Limited	61,589.68	59,475.19	2,114.49
14	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Villupuram) Limited	84,833.58	77,644.15	7,189.43
15	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Madurai) Limited	80,602.62	94,773.06	(-) 14,170.44
16	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Tirunelveli) Limited	90,282.02	82,323.98	7,958.04
17	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Coimbatore) Limited	98,488.01	97,484.02	1,003.99

(₹ in lakh)

Sl. No	Head of Account / Investment in	Investment at the end of 31 March 2023 as per Statement 19	Investment at the end of 31 March 2023 as per Statement 16	Difference
18	5055-00-190 Investments in State Express Transport Corporation (Tamil Nadu) Limited Chennai	69,838.78	59,206.22	10,632.56
19	5452-80-190 Investments in Tamil Nadu Tourism Development Corporation Limited	1,042.74	892.74	150.00
20	4875-60-190 Tamil Nadu Industrial Investment Corporation	30,352.28	26,602.28	3,750.00
21	4225-03-190 Investment in Tamil Nadu Minorities Economic Development Corporation Limited	205.01	305.00	(-) 99.99
22	4860-60-190 Investment in Tamil Nadu salt Corporation	1,134.03	634.02	500.01
23	4215-02-190 Share Capital assistance to New Tiruppur Area Development Limited	12,371.79	15,000.00	(-) 2,628.21

(Source: Finance Accounts 2022-23)

Appendix 3.1

(Reference: Gender Budgeting –Para 3.3.4)

Token provision given and withdrawn under Gender Budgeting under Part A

(in ₹)

SL No	Name of the Scheme	Head of Account	Provision
1	Construction of Women's Hostel in Government Aided Polytechnics under the Sub-Mission on Polytechnics under Co-ordinated Action for Skill Development	2203.00.105.SB	3,000
		2203.00.793.SB	
		2203.00.794.SB	
2	Conventional Contraceptives	2211.00.200.SE	1,000
3	Early Intervention Programme for the Children with development delay to the age group of 0-6 years	2235.02.101.DH	4,000
4	Imparting school preparedness and child health outcome through Integrated Child Development Services Scheme - Scheme under State Innovation Fund	2236.02.101.JQ	1,000
5	Supply of Teaching , Training and Sports material for Early Intervention Centres for the Hearing Impaired Children	2235.02.101.DK	1,000
6	Starting of Creches for children of working and ailing mothers	2235.02.102.BO	1,000
7	Special Nutrition for children and Lactating mothers	2245.02.282.AB	1,000
8	Construction of Working Women's Hostels	4225.01.800.JE	1,000
9	Construction of Girls Hostels for Scheduled Caste / Scheduled Tribes Students	4225.01.277.SB	1,000
10	Free Supply of Bicycles to all girl students belonging to Scheduled Tribes studying in Standard XI and XII in the Government / Government Aided Higher Secondary Schools	2225.02.277.BL	1,000
11	Free distribution of Sheep / Goat to the persons living Below Poverty Line	2403.00.800.JH	6,000
		2403.00.800.JI	
		2403.00.796.JD	
		2403.00.796.JE	
		2403.00.789.JE	
12	Mahila Kisan Sashaktikaran Pariyojana (MKSP)	2403.00.789.JF	6,000
		2501.06.102.UA	
		2501.06.102.UC	
		2501.00.793.UC	
		2501.06.793.UG	
		2406.06.794.UC	
2406.06.794.UG			

Appendix 3.2
(Reference: Paragraph 3.5.1.4)

**(a) Cases where Supplementary provision (₹ 50 lakh or more in each scheme)
proved unnecessary**

(₹ in lakh)

SL No.	Grant No.	Head of Account	Nomenclature	Original Provision	Actual Expenditure	Supplementary Provision
(A) Revenue (Voted)						
1	01	2011.02.103.AA	State Legislative Assembly Secretariat	3,652.15	3,483.35	163.95
2	03	2014.00.103.AA	Establishment of Special Courts for exclusive trial of Central Bureau of Investigation cases	895.18	821.28	66.09
3		2014.00.106.AA	Presidency Small Causes Courts	1,330.31	1,254.38	56.33
4		2014.00.107.AA	Regular Establishments	2,400.14	2,318.31	228.00
5	06	2403.00.101.AC	Institute of Veterinary Preventive Medicine, Ranipet	1,201.81	1130.99	73.26
6		2403.00.101.LD	Implementation of Bio Medical Waste management in veterinary Institution.	0.01	0.00	749.99
7		2403.00.102.AR	Cattle Breeding Units	2,967.07	2,848.20	219.15
8		2415.03.277.AA	Grants to Tamil Nadu Veterinary and Animal Sciences University	27,519.37	21,252.21	643.59
9	07	2405.00.101.UC	National Agriculture Development Programme (NADP-RKVY) - Fisheries Department	185.34	147.96	59.81
10	09	2225.04.001.AC	District Staff - Minorities Welfare Department	631.05	613.23	173.55
11	17	2852.08.202.AP	Commissionerate of Textiles	1,314.85	1,266.69	170.01
12	19	2210.05.105.AL	Improvements of Medical Colleges	59,673.08	56,903.34	264.66
13		2210.06.107.AD	Public Health Laboratory, King Institute at Guindy	2,489.92	2,457.05	700.02
14	21	3054.03.337.AC	Establishment for Land Acquisition under Chennai - Kanyakumari Industrial Corridor Project	1,442.00	1,280.30	100.00
15		3054.04.337.AA	Major District Roads - Road Maintenance (Core Segment)	12,613.54	12,387.67	50.00
16	22	2055.00.109.AA	District Police	4,52,715.95	4,24,316.14	75.12
17	24	2056.00.102.AA	Jails (other than Approved Schools)	3,169.51	3,134.28	100.00
18	28	2220.60.110.AC	Printing and Publication of Tamil Arasu	780.66	692.55	180.55
19	33	2202.03.103.AE	Law Colleges	4,687.67	4,495.83	135.56
20	35	2052.00.090.AT	Human Resources Management Department	2,205.89	2,119.65	184.97
21		2052.00.090.AT	Human Resources Management Department	2,205.89	2,119.65	184.97
22	36	3475.00.800.JI	Awareness Building, Capacity Building, Evaluation, Documentation and Awards for Innovation	500.00	27.57	250.00
23	37	2039.00.001.AA	Headquarters Establishment - Commissioner of Prohibition and Excise Department	13,068.25	11,845.91	299.72
24	38	2015.00.103.AA	Legislative Assembly Constituencies	14,926.08	14,352.56	1,465.64
25		2015.00.108.AA	Scheme of Issue of Photo Identity Cards to Voters	1,250.20	931.22	769.29
26		2052.00.090.AA	Chief Secretariat	4,382.31	3,983.67	107.99
27		2052.00.090.AM	Charges Common to all Civil Secretariat	2,258.97	2,011.35	448.27
28	39	2059.80.001.BH	Executive Engineers - Special Divisions	11,416.29	11,191.97	866.26

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(₹ in lakh)

SL No.	Grant No.	Head of Account	Nomenclature	Original Provision	Actual Expenditure	Supplementary Provision
29	43	2059.01.053.AR	Buildings - Schools (Administered by Chief Engineer (Buildings))	15,000.00	14,840.32	8,619.50
30	45	2235.02.103.BP	Managerial Training for Field and Executive Staff	39.50	16.13	51.04
31	46	2202.03.102.AI	Tamil University, Thanjavur	2,893.37	2,801.25	95.26
32		2202.05.001.AA	Directorate of Tamil Development	1,385.18	1,329.81	97.36
33		2202.05.102.AG	Grants to Madurai Ulaga Tamil Sangam	145.75	145.00	61.64
34	54	2406.01.001.AB	District Establishment	28,265.54	25,965.72	332.27
35		2406.01.001.AA	General Direction	3,217.48	3,190.49	113.25
36		2406.01.101.JF	DGPS Survey of notified Forest Areas of Tamil Nadu	517.00	18.84	101.20
(B) Capital (Voted)						
37	05	4401.00.103.UA	National Agriculture Development Programme (NADP/RKVY)- Agriculture Department	4,650.00	1,932.71	745.96
38	06	4403.00.105.AA	Construction of Buildings	0.01	0.00	57.63
39	09	4225.03.277.JZ	Construction of Buildings for Most Backward Classes and Denotified Communities Students	1,260.00	1,248.23	742.50
40	20	4202.01.203.JB	Buildings - Executed by Technical Education Wing	24,778.43	15,433.89	300.02
41	21	5054.03.101.JG	Construction of over and under bridges in lieu of Existing level crossings	13,231.33	6,903.94	732.02
42		5054.04.800.JK	Acquisition of Lands for Bye Passes	17,983.76	2,997.46	749.01
43		5054.80.800.JT	Construction of Railway Over Bridges /Railway Under Bridges	26,804.16	18,492.23	4,100.02
44	24	4070.00.800.KE	Construction of Buildings for Prison Department	509.89	136.62	390.10
45	29	4202.04.800.KH	Repairs, Renovation and Maintenance of Monuments etc., of Archaeological Sites	1,649.23	79.77	63.36
46	32	4250.00.203.JG	Development of I.T.I.s - Land and Buildings	64,046.70	56,499.23	500.02
47	34	4215.01.101.PK	Setting up of 400 MLD Capacity Sea water Reverse Osmosis (SWRO) Desalination plant at perur, Chennai	15,615.00	13,291.81	7,806.87
48	39	4059.01.051.JC	Land Revenue	28,415.85	26,122.08	2,575.01
49		4059.01.051.JJ	Public Works	18,111.17	8,934.67	250.01
50		4059.01.051.JG	Administration of Justice	10,559.06	4941.43	3,959.12
51		4059.01.051.AR	Transport Department	5,075.34	3,989.68	200.00
52		4059.01.051.JN	Commercial Taxes	3,619.80	3,224.65	285.01
53		4700.01.800.CA	Canals	1,12,662.72	61,915.64	200.00
54	40	4700.01.800.FA	Barrage	9,772.71	6,007.26	50.00
55		4700.02.800.CB	Canals-NABARD assistance	7,991.40	7,403.66	1,000.00
56		4700.05.800.CA	Canals	28,412.00	23,511.54	99.37
57		4700.05.800.FB	Barrage - NABARD Assistance	1,385.67	1,216.05	324.00
58		4701.01.800.DB	WEIR - NABARD Assistance	4,609.00	3,117.87	500.00
59		4702.00.101.AF	Parambikulam-Aliyar Basin Canal	125.99	125.77	194.91
Total				10,84,616.53	9,05,221.08	44,083.21

(b) Excess Supplementary provision (₹ 10 crore or more in each scheme)

(₹ in lakh)

Sl. No.	GRNT	Classification	Nomenclature	Original	Supplementary	Actual Expenditure	Excess supplementary provision
Revenue – Charged							
1.	03	2014.00.102.AA	Judges and Registrars	22,791.13	5,035.19	26,812.47	(-) 1,013.85
Revenue - Voted							
2.	03	2014.00.108.AA	Regular Establishments	22,237.30	2,552.56	23,691.55	(-) 1,098.31
3.	03	2014.00.105.AB	Mofussil, Civil and Sessions Courts - Regular Establishments	48,785.41	10,306.92	58,041.88	(-) 1,050.45
4.	06	2403.00.103.AK	Establishment of Native Chicken breeding farm, Hatchery unit and Feed Mill at Livestock Farm, Chettinad.	0.00	1,381.92	130.43	(-) 1,251.49
5.	13	3456.00.103.AE	Social safety Net - Food Security - PDS Support	7,50,000.00	6,06,905.18	13,27,725.18	(-) 29,180.00
6.	17	2235.60.200.JK	Free distribution of Handloom Cloth to the People Below Poverty Line	36,747.25	22,857.55	57,466.90	(-) 2,137.90
7.	17	2235.60.789.JS	Free Distribution of Handloom Cloth to the People Below Poverty line under Special Component Plan	12,088.08	8,840.31	19,019.76	(-) 1,908.63
8.	20	2202.03.102.AC	Madurai Kamaraj University	5,400.01	5,320.00	6,695.67	(-) 4,024.34
9.	20	2202.03.104.AA	Grants to Private colleges (Arts and Oriental colleges)	1,62,955.32	7,968.08	1,67,339.53	(-) 3,583.87
10.	20	2203.00.112.AA	Engineering Colleges	7,945.91	2,150.40	8,800.04	(-) 1,296.27
11.	24	2056.00.101.AA	Jails (other than Sub-Jails)	24,325.03	2,890.73	25,756.87	(-) 1,458.89
12.	28	2220.60.106.AM	Social Media Campaign.	27.71	2,505.00	931.87	(-) 1,600.84
13.	41	2235.60.102.JE	Destitute Widows Pension	54,219.67	3,625.65	54,742.45	(-) 3,102.87
14.	41	2235.60.102.JB	Social Security Net - Pension for the Differently abled	34,686.85	8,259.34	40,513.74	(-) 2,432.45
15.	41	223560102UC	Indira Gandhi National Destitute Widow Pension Scheme	25,076.66	3,498.49	27,320.93	(-) 1,254.22
16.	45	2236.02.102.UW	Feeding to children in the Age group of 5-9 under Puratchi Thalaivar MGR Nutritious Meal Programme - payment of cost to Tamil Nadu Civil Supplies Corporation for supply of food articles	0.00	5,947.39	4,480.16	(-) 1,467.23
17.	51	2245.80.800.AA	Assistance for undertaking immediate relief works in connection with Flood / Fire / Drought	0.07	8,929.86	7,232.10	(-) 1,697.83
18.	51	2245.02.114.AA	Subsidy to Small and Marginal Farmers for Agricultural Inputs due to Flood	0.01	18,769.82	17,210.71	(-) 1,559.12

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(₹ in lakh)

Sl. No.	GRNT	Classification	Nomenclature	Original	Supplementary	Actual Expenditure	Excess supplementary provision
19.	52	2235.02.101.CD	Maintenance Allowance to the Severely affected Differently Abled Persons	45,000.00	4,295.60	48,051.23	(-) 1,244.37
Capital - Voted							
20.	19	4210.01.200.PA	Civil Works towards Tamil Nadu Urban Health Care Project	21,650.23	13,736.25	22,051.56	(-) 13,334.92
21.	19	4210.03.105.UF	Establishment of Government Medical College with existing District / Referral Hospital. - State Share	43,198.93	18,706.93	54,059.95	(-) 7,845.91
22.	19	4210.01.200.PC	Tamil Nadu Health Systems Reforms Project	0.01	2,897.87	1,463.58	(-) 1,434.30
23.	21	5054.80.800.JJ	Construction of over and under bridges in lieu of Existing level crossings	14,963.29	6,616.48	18,932.49	(-) 2,647.28
24.	29	4202.04.106.KE	Construction of a New Museum to Display Unearthed Antiques found in Excavation work at Archaeological Site station of Archaeological Sites under State Infrastructure and Amenities Fund	0.00	1,800.00	41.46	(-) 1,758.54
25.	29	4202.04.101.JE	Buildings - Art and Culture - (Administered by Chief Engineer (Buildings))	783.91	1,526.01	1,177.30	(-) 1,132.62
26.	29	4202.04.106.KC	Construction of a New Museum to Display Unearthed Antiques found in Excavation work at Archaeological Sites	500.00	1,551.80	1,050.34	(-) 1,001.46
27.	39	4220.60.101.AC	Buildings	456.90	5,456.70	4,878.39	(-) 1,035.21
28.	40	4700.01.800.DA	Weir	748.55	2,944.69	2,059.04	(-) 1,634.20
29.	40	4700.03.800.FB	Barrage - NABARD assistance	200.00	4,750.00	3,944.14	(-) 1,005.86
30.	44	6851.00.102.AH	SIDBI Funded Cluster Development Programme	0.01	12,801.99	8,088.66	(-) 4,713.34
Total				13,34,788.24	8,04,828.71	20,39,710.36	(-) 99,906.59

Appendix 3.3
(Reference: Paragraph 3.5.1.4)

Cases where Supplementary provision (₹ 50 lakh or more in each scheme) is inadequate
(₹ in crore)

SI No.	Grant No	Head of Account	Original Provision	Supplementary provision	Actual Expenditure
(A) Revenue (Voted)					
1.	03	2014.00.101.AA	29.99	4.39	36.51
2.	03	2014.00.101.AC	35.59	1.31	38.36
3.	03	2014.00.101.AE	39.74	5.63	47.86
4.	03	2014.00.101.AC	10.11	1.68	12.02
5.	03	2014.00.801.AL	7.61	0.77	8.43
6.	05	2401.00.101.BB	3.30	1.30	7.33
7.	05	2401.00.801.AV	5,157.57	2,344.68	7,857.76
8.	06	2403.00.101.AA	499.34	17.65	541.98
9.	06	2403.00.101.KR	6.60	4.63	11.97
10.	06	2403.00.101.AA	3.58	0.69	4.41
11.	07	2405.00.101.UH	0.00	5.84	25.50
12.	11	2030.03.001.AD	52.06	16.33	68.57
13.	11	2030.02.101.AA	37.96	12.08	59.13
14.	13	2070.00.801.BJ	2.74	1.02	4.05
15.	14	2801.80.101.AH	3,620.02	738.91	5,246.84
16.	16	2075.00.791.AE	330.00	590.75	970.18
17.	17	2851.00.101.AB	7.70	2.85	10.89
18.	17	2851.00.101.AA	0.00	2.00	6.00
19.	18	2851.00.101.AJ	75.00	20.21	95.64
20.	18	2851.00.101.JP	0.00	1.15	1.30
21.	18	2851.00.791.JA	2.00	0.60	2.86
22.	19	2210.05.101.KE	65.21	24.23	198.26
23.	19	2210.01.111.CQ	280.16	20.08	306.43
24.	19	2210.01.111.PD	5.28	1.22	19.24
25.	19	2210.01.111.PE	70.71	5.24	76.73
26.	19	2210.06.791.UA	0.00	14.68	29.36
27.	19	2210.06.791.UB	0.00	9.79	19.57
28.	19	2210.06.791.UA	0.00	0.80	1.60
29.	19	2210.06.791.UB	0.00	0.53	1.07
30.	19	2210.06.801.UB	0.00	57.86	115.72
31.	19	2210.06.801.UC	0.00	38.57	77.15
32.	20	2202.03.101.AB	428.04	105.50	542.99
33.	20	2202.03.101.AE	21.45	20.47	42.18
34.	21	3054.01.001.AC	37.08	3.98	41.61
35.	21	3054.80.001.AE	134.86	24.87	160.53
(A) Revenue (Voted)					
36.	21	3054.80.001.AA	31.64	0.90	38.65
37.	22	2055.00.801.AE	0.50	19.02	37.35
38.	24	2056.00.101.SB	0.00	3.00	3.08
39.	28	2220.01.101.AE	0.27	0.54	1.83
40.	28	2220.60.101.AI	31.80	9.72	43.24
41.	29	2205.00.101.AO	14.03	0.84	15.38

(₹ in crore)

Sl No.	Grant No	Head of Account	Original Provision	Supplementary provision	Actual Expenditure
42.	32	2230.02.001.AA	5.62	1.28	8.23
43.	32	2230.02.101.AA	34.21	2.32	37.94
44.	34	3604.00.191.AN	0.00	404.17	767.37
45.	35	2062.00.101.AA	78.21	1.52	80.74
46.	36	2052.00.091.BA	4.99	1.75	6.92
47.	36	3454.02.111.AE	32.25	2.48	34.99
48.	38	2070.00.111.AB	23.11	20.05	48.64
49.	39	2216.05.051.AD	9.08	13.53	23.64
50.	40	2701.80.001.PA	0.00	0.94	3.52
51.	42	2202.01.101.AE	0.00	357.60	800.00
52.	43	2202.02.101.KT	125.00	14.95	210.04
53.	43	2202.02.101.KV	0.00	10.30	21.50
54.	45	2236.02.101.UU	0.00	21.52	38.41
55.	47	2250.00.101.AY	0.00	1.82	3.25
56.	48	2235.02.191.AC	1,520.00	1,183.99	2,728.79
57.	49	2204.00.101.AF	54.15	1.28	55.99
58.	49	2204.00.101.AN	28.77	1.05	31.18
59.	49	2204.00.101.AR	7.48	34.79	42.34
60.	51	2245.02.101.AE	0.00	0.55	0.80
61.	51	2245.02.101.AF	0.00	4.52	4.75
62.	51	2245.02.111.AB	0.00	9.66	10.09
63.	51	2245.02.111.AB	0.00	3.99	4.14
64.	51	2245.80.801.AH	0.00	55.69	62.50
65.	51	2245.02.801.BI	0.00	2.79	2.93
66.	52	2235.02.101.CO	23.73	6.18	30.00
67.	54	2406.01.001.AE	2.41	0.75	3.17
68.	54	2406.01.101.AS	0.00	5.56	7.03
(A) Revenue (Charged)					
69.	22	2235.60.201.CI	3.42	2.62	6.55
70.	56	2049.04.101.CB	0.00	2.05	2.67
71.	56	2049.04.101.CC	0.00	2.10	2.71
(B) Capital (Voted)					
72.	06	4403.00.101.JA	9.00	8.95	38.43
73.	07	4405.00.101.JE	300.00	6.94	334.64
74.	09	4225.03.271.KE	14.43	13.72	29.11
75.	09	4225.03.271.UB	0.00	5.85	7.41
76.	09	4225.03.271.UC	0.77	5.26	6.17
77.	19	4210.03.101.UE	9.80	6.33	17.42

(₹ in crore)

SI No.	Grant No	Head of Account	Original Provision	Supplementary provision	Actual Expenditure
78.	21	5054.03.331.JK	126.76	227.16	864.42
79.	39	4059.60.051.UB	21.14	35.00	174.75
80.	39	4059.60.051.UC	18.43	26.00	113.00
81.	39	4210.01.111.JA	132.52	98.52	238.35
82.	40	4700.05.801.AA	9.97	1.00	27.77
83.	40	4700.01.801.BB	1.14	10.00	51.06
84.	40	4701.01.801.CA	82.07	0.97	138.52
85.	40	4700.04.801.DB	2.26	2.52	16.32
86.	40	4701.01.801.EA	0.00	4.69	4.76
87.	48	5055.00.191.KE	0.00	759.61	1,031.31
88.	54	4406.01.101.PI	0.00	76.33	99.12
89.	54	4406.02.111.JI	0.00	2.48	4.56
(C) Loan (Voted)					
90.	17	6860.01.101.AH	1.00	1.50	2.90
91.	26	7610.00.201.BS	140.00	44.22	188.35
92.	34	6217.60.191.PN	0.00	66.60	100.00
Total			13,863.66	7,711.76	25,398.76

Appendix 3.4

(Reference: Paragraph 3.5.1.5)

Excessive/Insufficient re-appropriation of funds

(₹ in crore)

Sl No	Grant No.	Grant Description	Head of Account	Provisions				Actual Expenditure	Savings(-) / Excess (+)
				Original	Supplementary	Re-appropriation	FMA (O+S+R)		
Savings occurred under the following									
1	03	Administration of Justice	2014.00.102.AA	227.91	50.35	(-) 7.34	270.92	268.12	(-) 2.79
2	04	Adi Dravidiar and Tribal Welfare Department	2225.01.277.AA	598.97	0.00	(-) 53.24	545.73	543.56	(-) 2.17
3	19	Health and Family Welfare Department	2210.01.110.AB	581.00	0.13	(-) 14.26	566.87	563.46	(-) 3.41
4	19	Health and Family Welfare Department	2210.01.110.CM	66.13	0.00	(-) 9.03	57.11	54.96	(-) 2.15
5	19	Health and Family Welfare Department	2210.03.103.BI	981.40	0.00	(-) 114.77	866.63	864.48	(-) 2.15
6	19	Health and Family Welfare Department	2210.05.105.AL	596.73	2.65	(-) 27.86	571.52	569.03	(-) 2.48
7	19	Health and Family Welfare Department	2235.60.200.KG	579.62	0.00	(-) 85.76	493.86	490.24	(-) 3.62
8	20	Higher Education Department	2203.00.108.AA	50.74	0.00	(-) 4.23	46.51	42.90	(-) 3.60
9	21	Highways and Minor Ports Department	5054.80.800.JE	319.44	0.00	37.40	356.84	285.64	(-) 71.20
10	22	Police (Home, Prohibition and Excise Department)	2055.00.104.AA	757.13	0.00	(-) 85.38	671.75	667.52	(-) 4.23
11	22	Police (Home, Prohibition and Excise Department)	2055.00.108.AB	1,405.83	0.25	(-) 266.57	1,139.51	1,136.63	(-) 2.88
12	22	Police (Home, Prohibition and Excise Department)	2055.00.109.AA	4,527.16	0.75	(-) 270.14	4,257.78	4,243.16	(-) 14.61
13	22	Police (Home, Prohibition and Excise Department)	2055.00.109.AL	897.96	0.00	351.84	1249.80	1247.72	(-) 2.08
14	22	Police (Home, Prohibition and Excise Department)	2055.00.797.AA	14.38	0.00	4.05	18.42	13.74	(-) 4.69

(₹ in crore)

Sl No	Grant	Description	Head of Account	Provisions				Actual Expenditure	Savings(-) / Excess (+)
				Original	Supplementary	Re-appropriation	FMA (O+S+R)		
15	34	Municipal Administration and Water Supply Department	3604.00.191.AA	1,756.00	0.00	(-) 627.14	1,128.86	1,123.86	(-) 5.00
16	34	Municipal Administration and Water Supply Department	3604.00.191.AN	0.00	404.17	365.20	769.37	767.37	(-) 2.00
17	39	Buildings (Public Works Department)	4210.01.051.SA	0.00	4.79	(-) 0.02	4.77	0.16	(-) 4.61
18	39	Buildings (Public Works Department)	4215.01.800.JW	9.32	0.00	2.05	11.37	0.54	(-) 10.83
19	39	Buildings (Public Works Department)	4216.80.800.JU	11.05	0.00	2.43	13.48	6.14	(-) 7.34
20	40	Water Resources Department	2701.80.001.AF	300.74	0.00	(-) 11.78	288.96	285.22	(-) 3.74
21	40	Water Resources Department	2701.80.052.AC	2.33	0.00	0.20	2.53	0.00	(-) 2.53
22	40	Water Resources Department	2701.80.800.AA	1,436.97	0.00	(-) 116.68	1,320.29	0.00	(-) 1,320.29
23	40	Water Resources Department	2701.80.800.AC	161.86	0.00	(-) 31.23	130.63	0.00	(-) 130.63
24	40	Water Resources Department	2711.01.800.AC	190.84	0.00	(-) 11.87	178.97	0.00	(-) 178.97
25	40	Water Resources Department	4700.80.800.PW	203.07	0.00	(-) 32.64	170.43	124.69	(-) 45.74
26	40	Water Resources Department	4702.00.800.JW	11.59	0.00	5.37	16.97	6.57	(-) 10.40
27	40	Water Resources Department	4711.01.800.JD	3.87	0.00	27.67	31.55	28.03	(-) 3.52
28	41	Revenue and Disaster Management Department	2235.60.102.JB	346.87	82.59	(-) 17.27	412.19	405.14	(-) 7.05
29	41	Revenue and Disaster Management Department	2235.60.102.JE	542.20	36.26	(-) 21.38	557.07	547.42	(-) 9.65
30	41	Revenue and Disaster Management Department	2235.60.102.UA	630.68	0.00	(-) 126.36	504.31	502.29	(-) 2.02
31	41	Revenue and Disaster Management Department	2235.60.102.UD	905.68	0.00	(-) 10.53	895.15	871.34	(-) 23.81
32	41	Revenue and Disaster Management Department	2235.60.102.UF	400.79	0.00	(-) 63.07	337.72	330.95	(-) 6.78
33	41	Revenue and Disaster Management Department	2235.60.200.KX	345.86	0.00	(-) 79.63	266.24	259.96	(-) 6.28

State Finances Audit Report, Tamil Nadu for the year ended March 2023

(₹ in crore)

Sl No	Grant	Description	Head of Account	Provisions				Actual Expenditure	Savings(-) / Excess (+)
				Original	Supplementary	Re-appropriation	FMA (O+S+R)		
34	41	Revenue and Disaster Management Department	2235.60.789.JF	90.31	0.00	18.02	108.33	106.24	(-) 2.09
35	41	Revenue and Disaster Management Department	2235.60.789.JT	155.24	0.00	8.71	163.95	161.02	(-) 2.93
36	41	Revenue and Disaster Management Department	2235.60.793.UE	293.84	0.00	(-) 7.15	286.68	276.87	(-) 9.82
37	41	Revenue and Disaster Management Department	2235.60.793.UG	127.20	0.00	(-) 18.07	109.13	106.86	(-) 2.27
38	43	School Education Department	2202.01.101.AC	7,952.76	0.00	(-) 400.21	7,552.56	7,548.36	(-) 4.19
39	43	School Education Department	2202.02.101.AB	0.00	0.00	9.19	9.19	0.62	(-) 8.57
40	43	School Education Department	2202.02.109.AA	8,891.80	0.00	(-) 70.83	8,820.97	8,815.23	(-) 5.74
41	43	School Education Department	2202.02.110.AA	3,169.28	0.00	609.33	3,778.61	3,772.88	(-) 5.73
42	45	Social Welfare and Women Empowerment Department	2236.02.101.JN	1,087.04	0.00	(-) 86.02	1,001.01	998.58	(-) 2.43
43	45	Social Welfare and Women Empowerment Department	2236.02.101.SF	531.00	0.00	(-) 83.81	447.19	444.79	(-) 2.40
44	45	Social Welfare and Women Empowerment Department	2236.02.102.KL	781.73	0.00	(-) 106.50	675.23	655.34	(-) 19.89
45	45	Social Welfare and Women Empowerment Department	2236.02.102.KN	299.67	0.00	(-) 11.59	288.08	266.70	(-) 21.38
46	45	Social Welfare and Women Empowerment Department	2236.02.789.JN	22.55	0.00	(-) 14.14	8.40	4.99	(-) 3.42
47	45	Social Welfare and Women Empowerment Department	2236.02.789.JO	34.81	0.00	(-) 11.06	23.75	12.41	(-) 11.34
48	47	Hindu Religious and Charitable Endowments (Tamil Development, Religious Endowments and Information Department)	2250.00.102.AC	0.00	0.00	2.01	2.01	0.00	(-) 2.01
49	51	Relief on account of Natural Calamities	2245.02.800.BI	0.00	2.79	2.97	5.76	2.93	(-) 2.83

(₹ in crore)

Sl No	Grant	Description	Head of Account	Provisions				Actual Expenditure	Savings(-) / Excess (+)
				Original	Supplementary	Re-appropriation	FMA (O+S+R)		
50	56	Debt Charges (Charged Appropriation)	2049.03.104.AM	55.91	0.00	1.74	57.65	53.20	(-) 4.45
Total				42,357.27	584.73	(-) 1,449.37	41,492.63	39,477.89	(-) 2,014.74
Excess occurred under the following									
1	05	Agriculture and Farmers Welfare Department	2401.00.109.AK	286.40	0.00	9.35	295.74	299.80	4.05
2	05	Agriculture and Farmers Welfare Department	2408.01.103.UA	0.00	0.00	0.00	0.00	2.46	2.46
3	21	Highways and Minor Ports Department	5054.80.800.JF	20.71	0.00	(-) 1.74	18.97	29.96	10.99
4	22	Police (Home, Prohibition and Excise Department)	2055.00.800.AL	8.58	0.00	6.63	15.21	21.97	6.76
5	34	Municipal Administration and Water Supply Department	2217.05.191.AJ	0.00	0.00	0.00	0.00	56.00	56.00
6	34	Municipal Administration and Water Supply Department	3604.00.192.SD	160.95	0.00	(-) 160.95	0.00	80.48	80.48
7	39	Buildings (Public Works Department)	4059.01.800.AA	19.74	0.00	4.35	24.09	61.76	37.67
8	39	Buildings (Public Works Department)	4202.04.800.JW	24.39	0.00	5.38	29.77	43.52	13.75
9	39	Buildings (Public Works Department)	4210.80.800.JA	31.75	0.00	7.00	38.75	81.67	42.92
10	39	Buildings (Public Works Department)	4210.80.800.UW	0.18	0.00	0.04	0.21	28.15	27.93
11	39	Buildings (Public Works Department)	4220.60.800.AA	1.69	0.00	0.37	2.07	5.70	3.64
12	39	Buildings (Public Works Department)	4225.03.800.JA	3.36	0.00	0.74	4.10	6.76	2.66
13	39	Buildings (Public Works Department)	4403.00.800.JA	9.43	0.00	2.08	11.51	15.13	3.62
14	40	Water Resources Department	4701.80.800.JJ	18.81	0.00	(-) 0.70	18.11	21.40	3.29
15	40	Water Resources Department	4702.00.101.UZ	0.00	0.00	10.61	10.62	16.28	5.66
16	41	Revenue and Disaster Management Department	2235.60.793.UC	80.51	0.00	(-) 23.15	57.36	59.62	2.26
17	45	Social Welfare and Women Empowerment Department	2236.02.101.UK	257.11	0.00	24.56	281.67	296.85	15.18

State Finances Audit Report, Tamil Nadu for the year ended March 2023

(₹ in crore)

Sl No	Grant	Description	Head of Account	Provisions				Actual Expenditure	Savings(-) / Excess (+)
				Original	Supplementary	Re-appropriation	FMA (O+S+R)		
18	45	Social Welfare and Women Empowerment Department	2236.02.102.UM	0.00	0.00	10.11	10.11	18.69	8.58
19	45	Social Welfare and Women Empowerment Department	2236.02.102.UN	0.00	0.00	6.83	6.83	12.59	5.76
20	45	Social Welfare and Women Empowerment Department	2236.02.789.UH	0.00	0.00	5.40	5.40	7.46	2.05
21	45	Social Welfare and Women Empowerment Department	2236.02.789.UJ	0.00	0.00	3.68	3.68	10.46	6.78
22	45	Social Welfare and Women Empowerment Department	2236.02.789.UK	0.00	0.00	2.28	2.28	6.84	4.56
23	56	Debt Charges (Charged Appropriation)	2049.01.101.LA	30,547.29	0.00	4,076.06	34,623.35	34,630.35	7.00
24	56	Debt Charges (Charged Appropriation)	2049.01.305.AG	0.00	0.00	822.17	822.17	882.08	59.91
25	56	Debt Charges (Charged Appropriation)	2049.03.104.AJ	32.10	0.00	(-) 14.08	18.02	31.10	13.08
Total				31,503.01	0.00	4,797.03	36,300.04	36,727.08	427.04

Appendix 3.5
(Reference: Paragraph 3.5.1.5)
Injudicious re-appropriations-Unnecessary provision by re-appropriation

(₹ in lakh)

Sl No	Grant	Head of Account	Original	Supple- mentary	Re- appropriation	Final Modified Appropriation	Expenditure
(A) Revenue (Voted)							
1	05	2401.00.119.AG	2,672.78	0.00	85.35	2,758.13	2,572.28
2	05	2435.01.102.AA	438.33	0.00	1.23	439.56	436.25
3	19	2210.02.001.JB	20.73	0.00	0.17	20.90	20.64
4	22	2055.00.797.AA	1,437.70	0.01	404.76	1,842.47	1,373.50
5	36	2551.01.137.JA	250.03	0.00	4.34	254.37	245.02
6	38	2070.00.115.AC	205.81	0.01	0.10	205.92	203.68
7	39	4215.01.800.JW	931.66	0.01	205.33	1,137.00	54.36
8	40	2701.03.101.AY	4.76	0.01	39.93	44.70	0.00
9	40	2702.02.001.AA	417.71	0.00	45.20	462.91	415.12
10	45	2236.02.102.KP	3,248.43	0.00	23.22	3,271.65	3,202.47
11	46	2202.05.102.AK	62.32	0.01	3.75	66.08	61.88
12	51	2245.02.101.AB	0.08	286.38	0.34	286.80	286.35
13	54	2415.06.004.AA	30.01	213.00	0.39	243.4	242.06
(A) Revenue (Charged)							
14	56	2049.03.104.AM	5,590.80	0.01	174.28	5,765.09	5,320.04
15	56	2049.03.111.AF	143.00	0.00	0.72	143.72	117.01
16	56	2049.04.101.CD	0.00	117.17	117.13	234.30	117.14
17	56	2049.60.101.AB	1.45	0.00	0.01	1.46	1.39
Total			15,455.60	616.61	1,106.25	17,178.46	14,669.19

Appendix 3.6
(Reference: Paragraph 3.5.1.5)
Provision more than ₹ 100 crore withdrawn by re-appropriation and with 'NIL'
Expenditure

(₹ in crore)

Sl No	Grant No	Head of Account	Description	Original	Supple- mentary	Re- appropriation	Actual Expenditure
A-Revenue(-) Voted							
1	04	2225.01.277.KM	Educational Concessions	878.59	0.00	(-) 878.59	0.00
2	04	2225.01.277.SA	Educational Concessions	930.81	0.00	(-) 930.81	0.00
3	14	2810.00.800.AB	Solar Energy Produced by Farmers' under KUSUM Scheme	100.00	0.00	(-) 100.00	0.00
4	26	2216.02.190.JU	Providing basic amenities for resettlement and re-habilitation of flood affected slum dwellers on the river margins	200.00	0.00	(-) 200.00	0.00
5	27	2851.00.102.DG	Export Promotion Fund	100.00	0.00	(-) 100.00	0.00
6	32	2230.03.800.JB	Grants to Tamil Nadu Skill Development Corporation	117.00	0.00	(-) 117.00	0.00
7	34	2217.05.191.UG	Implementation of Swacch Bharat Mission in Corporations / Municipalities - State Share	168.00	0.00	(-) 168.00	0.00
8	34	2217.05.800.UB	Implementation of Swacch Bharat Mission in Corporations / Municipalities	210.00	0.00	(-) 210.00	0.00
9	34	2217.05.800.UE	Implementation of Swacch Bharat Mission in Town Panchayats	100.80	0.00	(-) 100.80	0.00
10	34	3604.00.191.AC	Contribution to the Operational and Maintenance Gap filling fund	109.75	0.00	(-) 109.75	0.00
11	34	3604.00.191.AE	Capital Grant Fund	329.25	0.00	(-) 329.25	0.00
12	34	3604.00.191.SF	Solid Waste Management and Sanitation Grants to Million Plus Cities as per the recommendation of 15th Finance Commission - Municipal Corporations.	313.00	0.00	(-) 313.00	0.00
13	34	3604.00.192.AH	Capital Grant Fund	238.71	0.00	(-) 238.71	0.00
14	42	3604.00.200.BP	Capital Grant Fund for Rural Local Bodies	1,451.68	0.00	(-) 1,451.68	0.00
15	42	3604.00.200.BQ	Pooled Fund Deficit - Rural Local Bodies	725.84	0.00	(-) 725.84	0.00
A-Revenue-Charged							
16	56	2049.01.101.AC	Lumpsum provision for the New Loans to be floated during next Financial Year	1,575.00	0.00	(-) 1,575.00	0.00
B-Capital-Voted							
17	14	4801.05.190.AA	Share Capital -Assistance to TANTRANSO for Chennai-Kanyakumari Industrial Corridor(CKIC) Project	475.00	0.00	(-) 475.00	0.00
18	16	4070.00.800.KF	Transfer to Tamil Nadu Infrastructure Development Fund	500.00	0.00	(-) 500.00	0.00
19	16	5475.00.115.PA	First Loss Catalytic Capital for Investments into Tamil Nadu Infrastructure Fund under TNIPP Phase-2	138.30	0.00	(-) 138.30	0.00

(₹ in crore)

Sl No	Grant No	Head of Account	Description	Original	Supple- mentary	Re- appropriation	Actual Expenditure
20	21	5054.80.800.KN	Development of Northern Port Access Road Project	248.50	0.00	(-) 248.50	0.00
21	34	4217.03.800.UA	Implementation of Smart Cities Programme	935.00	0.00	(-) 935.00	0.00
22	34	4217.60.800.UA	Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	870.00	0.00	(-) 870.00	0.00
23	42	4215.01.102.UB	Jal Jeevan Mission (Erstwhile National Rural Drinking Water Programme)	1,152.00	0.00	(-) 1,152.00	0.00
24	42	4215.01.793.UB	Jal Jeevan Mission (Erstwhile National Rural Drinking Water Programme)	594.00	0.00	(-) 594.00	0.00
Total				12,461.23	0.00	(-) 12,461.23	0.00

(Source: Detailed Appropriation Accounts for the year 2022-23)

Appendix 3.7
(Reference: Paragraphs 3.5.1.5 and 4.2)

Withdrawal of entire Provision towards interest liability under Major Head '8342'
(in ₹)

Sl No	Head of Account	Nomenclature	Original	Supplementary	Re-appropriation	Final Modified Appropriation	Expenditure
1	2049.60.101.BG	Interest on Deposits of State Agricultural Marketing Board	30,00,000	0.00	(-) 30,00,000	0.00	0.00
2	2049.60.101.BK	Interest on Deposits of Dharmapuri Market Committee	7,00,000	0.00	(-) 7,00,000	0.00	0.00
3	2049.60.101.BL	Interest on Deposits of Kanyakumari Market Committee	50,00,000	0.00	(-) 50,00,000	0.00	0.00
4	2049.60.101.BM	Interest on Deposits of Salem Market Committee	32,35,000	0.00	(-) 32,35,000	0.00	0.00
5	2049.60.101.DB	Interest on Deposits of Anna University, Chennai	8,28,46,000	0.00	(-) 8,28,46,000	0.00	0.00
6	2049.60.101.DC	Interest on Deposits of Tamil Nadu Agricultural University	15,12,88,000	0.00	(-) 15,12,88,000	0.00	0.00
7	2049.60.101.DU	Deposits of State Transport Corporation Employees' Post Retirement Benefit Fund	1,20,40,000	0.00	(-) 1,20,40,000	0.00	0.00
8	2049.60.101.EP	Interest on Deposits of Thiruvalluvar University	8,00,000	0.00	(-) 8,00,000	0.00	0.00
9	2049.60.101.EY	Interest on Deposits of Tamil Nadu State Transport Corporation Employees Pension Fund Trust	3,20,00,000	0.00	(-) 3,20,00,000	0.00	0.00
Total			29,09,09,000	0.00	-29,09,09,000	0.00	0.00

(Source: Detailed Appropriation Accounts for the year 2022-23)

Appendix 3.8
(Reference: Paragraph 3.5.1.5)

Expenditure incurred without Final Modified Appropriation

(in ₹)

SI No	Grant No. & Department	Head of Account & Description	Original	Supplementary	Re-appropriation	FMA	Expenditure
Revenue (Voted)							
1	04- Adi Dravidiar and Tribal Welfare Department	2225.02.277.SA (V) Government of India Post-Matric Scholarships	34,83,12,000	0	(-) 34,83,12,000	0	50,630
2	05- Agriculture and Farmers Welfare Department	2401.00.108.UD (V) Production and Distribution of dwarf and tall hybrid coconut seedlings	1,68,00,000	0	(-) 1,68,00,000	0	1,43,99,150
3	05- Agriculture and Farmers Welfare Department	2408.01.103.AD (V) Implementation of Scheme of Pradhan Mantri Formalization of Micro Food Processing Enterprises	0	1,000	(-) 1,000	0	52,83,392
4	05- Agriculture and Farmers Welfare Department	2408.01.103.UA (V) Implementation of Scheme of Pradhan Mantri Formalization of Micro Food Processing Enterprises	0	2,000	(-) 2,000	0	2,45,75,828
5	05- Agriculture and Farmers Welfare Department	2408.01.793.AA (V) Implementation of Scheme of Pradhan Mantri Formalization of Micro Food Processing Enterprises	0	1,000	(-) 1,000	0	1,13,932
6	05- Agriculture and Farmers Welfare Department	2408.01.793.UA (V) Implementation of Scheme of Pradhan Mantri Formalization of Micro Food Processing Enterprises	0	2,000	(-) 2,000	0	45,17,806
7	05- Agriculture and Farmers Welfare Department	2408.01.794.AA (V) Implementation of Scheme of Pradhan Mantri Formalization of Micro Food Processing Enterprises	0	1,000	(-) 1,000	0	48,790
8	05- Agriculture and Farmers Welfare Department	2408.01.794.UA (V) Implementation of Scheme of Pradhan Mantri Formalization of Micro Food Processing Enterprises	0	2,000	(-) 2,000	0	6,69,866

Sl No	Grant No. & Department	Head of Account & Description	Original	Supplementary	Re-appropriation	FMA	Expenditure
9	34- MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT	2217.05.191.AJ (V) Grants to 28 newly upgraded Municipalities for creation of basic Infrastructure facilities	0	1,000	(-) 1,000	0	56,00,00,000
10	34- MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT	2217.05.800.AB (V) Secretariat Staff Administration and Operational expenses for National Urban Livelihood Mission	15,10,000	0	(-)15,10,000	0	14,34,952
11	34- MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT	3604.00.192.SD (V) Tied Grants to Non-Million Cities for Drinking Water and Solid Waste Management as per the recommendation of 15th Finance Commission - Municipalities	1,60,95,00,000	0	(-) 1,60,95,00,000	0	80,47,50,000
Capital (Voted)							
12	34- MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT	4217.03.051.UA (V) Implementation of Smart Cities Programme - State Share	9,40,00,00,000	0	(-) 9,40,00,00,000	0	1,000
13	34- MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT	4217.60.051.UA (V) Atal Mission for Rejuvenation and Urban Transformation (AMRUT) - State Share	5,80,00,00,000	0	(-) 5,80,00,00,000	0	1,000
Loan (Voted)							
14	34- MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT	7610.00.201.AY (V) Loans to Secretariat Employees for construction of houses - Municipal Administration and Water Supply Department	80,00,000	0	(-) 80,00,000	0	39,13,750
Total							1,41,97,63,503

Appendix 3.9
(Reference: Paragraph 3.5.1.5)
Injudicious re-appropriations – Provisions made in first re-appropriation and withdrawn in second re-appropriation where expenditure is ‘Nil’

(in ₹)

Sl No	Grant No	Head of Account	Provision (O+S)	Re-appropriation I	Re-appropriation II
Revenue (Charged)					
1	56	2049.05.105.AF	2,92,000	3,000	(-) 2,95,000
2	19	2210.01.110.AJ	0	2,00,000	(-) 2,00,000
Revenue (Voted)					
3	09	2225.04.001.AD	1,000	2,75,59,000	(-) 2,75,60,000
4	34	2217.05.052.AA	1,000	16,11,29,000	(-)16,11,30,000
5	45	2251.00.090.BJ	2,000	8,57,000	(-) 8,59,000
6	34	2251.00.090.BR	1,000	74,99,000	(-) 75,00,000
7	14	2052.00.090.CS	1,000	56,000	(-) 57,000
8	41	2053.00.094.GB	6,000	10,91,88,000	(-) 10,91,94,000
9	32	2230.03.101.JT	4,20,01,000	5,59,89,000	(-) 9,79,90,000
10	32	2230.03.101.JX	35,64,000	16,01,000	(-) 51,65,000
11	07	2405.00.101.UG	2,000	1,71,04,000	(-) 1,71,06,000
12	06	2403.00.101.UH	18,000	1,46,000	(-) 1,64,000
13	32	2230.03.101.UK	1,000	74,99,000	(-) 75,00,000
14	11	2030.02.102.AA	38,93,000	1,75,000	(-) 40,68,000
15	45	2236.02.102.UY	2,000	15,42,01,000	(-) 15,42,03,000
16	45	2236.02.102.UZ	2,000	10,28,00,000	(-) 10,28,02,000
17	05	2408.01.103.AC	5,00,01,000	2,99,000	(-) 5,03,00,000
18	40	2711.01.103.AY	0	33,000	(-) 33,000
19	17	2851.00.103.KN	2,000	92,69,000	(-) 92,71,000
20	45	2235.02.103.UD	52,06,000	24,58,000	(-) 76,64,000
21	45	2235.02.103.UG	26,04,000	12,28,000	(-) 38,32,000
22	50	2071.01.104.AG	2,000	29,49,98,000	(-) 29,50,00,000
23	54	2406.01.105.AK	6,000	7,72,000	(-) 7,78,000
24	05	2401.00.108.VL	91,17,000	14,33,000	(-) 1,05,50,000
25	05	2401.00.108.VQ	2,12,95,000	57,34,000	(-) 2,70,29,000
26	05	2401.00.108.VR	60,78,000	9,55,000	(-) 70,33,000
27	54	2406.02.110.JQ	9,93,000	7,000	(-) 10,00,000
28	22	2055.00.115.UC	1,000	64,26,000	(-) 64,27,000
29	22	2055.00.115.UD	1,000	42,84,000	(-) 42,85,000
30	50	2071.01.117.AG	1,000	19,99,000	(-) 20,00,000
31	05	2415.01.120.JQ	2,000	4,49,98,000	(-) 4,50,00,000

(in ₹)

Sl No	Grant No	Head of Account	Provision (O+S)	Re-appropriation I	Re-appropriation II
32	38	2235.01.140.BB	7,96,000	5,89,39,000	(-) 5,97,35,000
33	26	2216.02.190.UJ	1,000	1,91,99,99,000	(-) 1,92,00,00,000
34	32	2230.03.789.JD	93,49,000	1,24,25,000	(-) 2,17,74,000
35	07	2405.00.789.UE	2,000	1,00,33,000	(-) 1,00,35,000
36	26	2216.02.793.UC	1,000	1,04,99,99,000	(-) 1,05,00,00,000
37	26	2216.02.793.UD	1,000	41,99,99,000	(-) 42,00,00,000
38	05	2401.00.793.UK	75,81,000	26,91,000	(-) 1,02,72,000
39	05	2401.00.793.UV	21,25,000	4,72,000	(-) 25,97,000
40	05	2401.00.793.VD	50,54,000	17,94,000	(-) 68,48,000
41	05	2401.00.793.VM	14,16,000	3,26,000	(-) 17,42,000
42	04	2225.02.794.SE	1,33,21,000	3,29,79,000	(-) 4,63,00,000
43	05	2501.05.794.UA	1,000	75,26,000	(-)75,27,000
44	05	2501.05.794.UB	1,000	50,17,000	(-) 50,18,000
45	26	2216.02.794.UC	1,000	2,99,99,000	(-) 3,00,00,000
46	26	2216.02.794.UD	1,000	1,19,99,000	(-) 1,20,00,000
47	05	2401.00.794.UQ	89,000	43,000	(-) 1,32,000
48	05	2401.00.794.VH	59,000	32,000	(-) 91,000
49	32	2230.03.796.JD	4,88,000	7,21,000	(-)12,09,000
50	12	2425.00.800.AL	14,000	15,39,000	(-)15,53,000
51	43	2202.02.800.JX	6,01,000	44,22,000	(-) 50,23,000
52	47	2250.00.102.AC	0	2,00,59,000	(-) 3,000
Capital (Voted)					
53	39	4059.60.051.JI	1,000	49,99,000	(-) 50,00,000
54	27	5053.02.102.AJ	2,000	10,65,70,000	(-) 10,65,72,000
55	27	5053.02.102.AO	2,000	25,89,000	(-) 25,91,000
56	07	4405.00.104.UA	2,000	14,99,000	(-) 15,01,000
57	45	4235.02.106.AB	1,000	4,99,99,000	(-) 5,00,00,000
58	29	4202.04.106.SA	1,000	16,14,000	(-) 16,15,000
59	39	4210.03.200.JX	0	4,98,000	(-) 4,98,000
60	20	4202.01.203.JG	2,000	5,19,99,000	(-) 5,20,01,000
61	16	4070.00.800.KS	2,35,00,000	8,32,000	(-) 2,43,32,000
62	40	4702.00.800.PC	2,000	43,16,000	(-) 43,18,000
Loan (Voted)					
63	16	7610.00.202.AA	0	7,50,000	(-) 22,000
Total			20,95,11,000	4,83,75,77,000	(-) 5,02,63,04,000

Appendix 3.10
(Reference: Paragraph 3.5.1.7 (a))
Grants in which savings more than ₹ 100 crore

(₹ in crore)

Sl No	Grant No	Name of the Grant	Original	Supple- mentary	Total	Actual Expenditure	Savings
A-Revenue (Charged)							
1	56	Debt Charges (Charged Appropriation)	50,611.92	30.42	50,642.34	47,547.21	(-) 3,095.13
A-Revenue (Charged) Total			50,611.92	30.42	50,642.34	47,547.21	(-) 3,095.13
A-Revenue (Voted)							
2	04	Adi Dravidiar and Tribal Welfare Department	3,846.92	0.34	3,847.26	2,471.91	(-) 1,375.35
3	05	Agriculture and Farmers Welfare Department	12,875.31	2,358.72	15,234.03	14,515.40	(-) 718.63
4	06	Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,192.11	132.07	1,324.18	1,199.24	(-) 124.93
5	12	Co-operation(Co-operation , Food and Consumer Protection Department)	5,165.07	1,161.62	6,326.70	6,142.21	(-) 184.49
6	13	Food and Consumer Protection(Co-operation , Food and Consumer Protection Department)	7,693.73	6,412.59	14,106.32	13,796.36	(-) 309.96
7	19	Health and Family Welfare Department	17,100.26	200.17	17,300.43	16,794.07	(-) 506.36
8	20	Higher Education Department	5,285.30	316.30	5,601.60	5,284.95	(-) 316.65
9	26	Housing and Urban Development Department	5,560.52	168.00	5,728.52	2,912.31	(-) 2,816.21
10	27	Industries, Investment Promotion and Commerce Department	2,346.91	0.00	2,346.91	1,772.32	(-) 574.59
11	31	Information Technology and Digital Services Department	199.20	0.00	199.20	90.03	(-) 109.17
12	32	Labour Welfare and Skill Development Department	1,696.22	3.87	1,700.09	1,351.81	(-) 348.28
13	34	Municipal Administration and Water Supply Department	11,498.16	1,979.58	13,477.75	11,885.02	(-) 1,592.73
14	41	Revenue and Disaster Management Department	7,474.54	153.85	7,628.39	7,044.65	(-) 583.74
15	42	Rural Development and Panchayat Raj Department	22,256.22	357.61	22,613.83	20,992.11	(-) 1,621.71
16	43	School Education Department	36,350.53	1,046.75	37,397.28	37,121.70	(-) 275.58
17	44	Micro, Small and Medium Enterprises Department	892.23	18.75	910.99	791.71	(-) 119.27
18	45	Social Welfare and Women Empowerment Department	5,867.95	276.38	6,144.33	5,306.07	(-) 838.26
19	50	Pensions and other retirement benefits	39,502.01	0.00	39,502.02	32,180.67	(-) 7,321.35
20	51	Relief on Account of Natural Calamities	1,428.02	1,032.27	2,460.28	2,291.16	(-) 169.12
A-Revenue (Voted) Total			1,88,231.21	15,618.87	2,03,850.11	1,83,943.70	(-) 19,906.38
B-Capital (Voted)							
21	05	Agriculture and Farmers Welfare Department	274.47	19.39	293.86	190.57	(-) 103.29
22	14	Energy Department	581.24	0.00	581.24	57.99	(-) 523.26
23	16	Finance Department	738.30	2.35	740.65	65.20	(-) 675.45
24	19	Health and Family Welfare Department	799.48	506.18	1,305.66	1,023.25	(-) 282.41
25	20	Higher Education Department	383.59	3.00	386.59	214.10	(-) 172.49

State Finances Audit Report, Tamil Nadu for the year ended March 2023

(₹ in crore)

Sl No	Grant No	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
26	21	Highways and Minor Ports Department	16,340.44	351.26	16,691.70	14,443.92	(-) 2,247.78
27	22	Police (Home, Prohibition and Excise Department)	200.00	0.00	200.00	73.17	(-) 126.83
28	27	Industries, Investment Promotion and Commerce Department	670.60	3.00	673.60	473.68	(-) 199.92
29	34	Municipal Administration and Water Supply Department	8,425.61	1,684.11	10,109.72	8,905.32	(-) 1,204.40
30	40	Water Resources Department	4,282.56	205.93	4,488.49	3,668.83	(-) 819.66
31	42	Rural Development and Panchayat Raj Department	4,390.83	0.00	4,390.83	2,729.03	(-) 1,661.80
32	43	School Education Department	544.96	0.00	544.96	217.54	(-) 327.42
B-Capital(Voted) Total			37,632.08	2,775.22	40,407.30	32,062.60	(-) 8,344.71
C-Loans (Voted)							
33	14	Energy Department	1,843.78	0.00	1,843.78	379.60	(-) 1,464.18
34	48	Transport Department	1,073.89	0.24	1,074.13	701.38	(-) 372.75
C-Loans(Voted) Total			2,917.67	0.24	2,917.91	1,080.98	(-) 1,836.93
Grand Total			2,79,392.88	18,424.75	2,97,817.66	2,64,634.49	(-) 33,183.15

(Source: Appropriation Accounts for the year 2022-23)

Appendix 3.11
(Reference: Paragraph 3.5.1.7 (b))

Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2023

(₹ in crore)

Sl No	Grant No	Major Head	Description	Amount surrendered
Appropriations				
1	56	2049	Interest Payments	225.15
Grants				
2	03	2014	Administration of Justice	35.56
3	04	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	117.22
4	05	2401	Crop Husbandry	544.63
5	05	2402	Soil and Water Conservation	22.29
6	05	2408	Food Storage and Warehousing	70.01
7	05	2415	Agricultural Research and Education	10.15
8	05	2435	Other Agricultural Programmes	18.67
9	05	2501	Special Programmes for Rural Development	54.04
10	05	4401	Capital Outlay on Crop Husbandry	93.89
11	06	2403	Animal Husbandry	39.41
12	06	2415	Agricultural Research and Education	83.13
13	07	2405	Fisheries	23.62
14	07	4405	Capital Outlay on Fisheries	17.74
15	09	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	33.81
16	10	2040	Taxes on Sales, Trade etc.	42.42
17	11	2030	Stamps and Registration	31.09
18	12	2425	Co-operation	183.20
19	13	3456	Civil Supplies	14.48
20	14	6801	Loans for Power Projects	170.99
21	16	2052	Secretariat - General Services	10.26
22	16	2054	Treasury and Accounts Administration	23.08
23	16	4070	Capital Outlay on Other Administrative Services	57.43
24	16	7610	Loans to Government Servants etc.	30.38
25	17	2235	Social Security and Welfare	70.00
26	19	2210	Medical and Public Health	400.45
27	19	2211	Family Welfare	62.11
28	19	2235	Social Security and Welfare	13.04
29	19	4210	Capital Outlay on Medical and Public Health	288.76
30	20	2059	Public Works	12.06
31	20	2202	General Education	256.02
32	20	2203	Technical Education	39.86
33	20	4202	Capital Outlay on Education, Sports, Art and Culture	36.78
34	21	3054	Roads and Bridges	45.65
35	21	5054	Capital Outlay on Roads and Bridges	179.35
36	22	2055	Police	61.86
37	22	4055	Capital Outlay on Police	46.03
38	22	7610	Loans to Government Servants etc.	11.94
39	23	2070	Other Administrative Services	34.10
40	24	2056	Jails	27.20
41	25	2041	Taxes on Vehicles	23.61
42	26	2216	Housing	1,007.49

(₹ in crore)

Sl No	Grant No	Major Head	Description	Amount surrendered
43	26	2217	Urban Development	57.11
44	27	2851	Village and Small Industries	11.60
45	27	5053	Capital Outlay on Civil Aviation	29.77
46	28	2220	Information and Publicity	27.24
47	29	4202	Capital Outlay on Education, Sports, Art and Culture	20.80
48	31	2852	Industries	11.50
49	32	2210	Medical and Public Health	47.09
50	32	2230	Labour, Employment and Skill Development	23.73
51	32	4250	Capital Outlay on other Social Services	42.47
52	34	2217	Urban Development	846.96
53	34	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	862.57
54	34	4215	Capital Outlay on Water Supply and Sanitation	113.14
55	34	4217	Capital Outlay on Urban Development	1,091.26
56	38	2015	Elections	22.94
57	38	2052	Secretariat - General Services	11.65
58	38	2235	Social Security and Welfare	10.80
59	39	2059	Public Works	21.02
60	39	4059	Capital Outlay on Public Works	84.77
61	39	4202	Capital Outlay on Education, Sports, Art and Culture	11.00
62	39	4216	Capital Outlay on Housing	15.16
63	39	4220	Capital Outlay on Information and Publicity	10.35
64	40	2216	Housing	12.86
65	40	2701	Major and Medium Irrigation	53.91
66	40	4700	Capital Outlay On Major Irrigation	216.48
67	40	4701	Capital Outlay on Major and Medium Irrigation	16.61
68	40	4702	Capital Outlay on Minor Irrigation	81.42
69	41	2029	Land Revenue	13.78
70	41	2053	District Administration	51.03
71	41	2235	Social Security and Welfare	454.56
72	42	2501	Special Programmes for Rural Development	31.46
73	42	2505	Rural Employment	673.34
74	42	2515	Other Rural Development programmes	84.88
75	42	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	828.32
76	43	2202	General Education	238.82
77	43	4202	Capital Outlay on Education, Sports, Art and Culture	193.66
78	44	2851	Village and Small Industries	23.52
79	44	2852	Industries	17.37
80	44	6851	Loans for Village and Small Industries	47.13
81	45	2235	Social Security and Welfare	160.55
82	45	2236	Nutrition	661.84
83	47	2250	Other Social Services	30.32
84	49	2204	Sports and Youth Services	68.95
85	50	2071	Pensions and other Retirement Benefits	731.27
86	51	2245	Relief on account of Natural Calamities	164.01
87	52	2235	Social Security and Welfare	81.83
88	54	2406	Forestry and Wild Life	83.65
89	54	4406	Capital Outlay on Forestry and Wild Life	16.24
Grand Total				12,979.70

(Source: Re-appropriation-II orders)

Appendix 3.12
(Reference: Paragraph 3.5.1.7 (b))
Cases where savings of ₹ one crore and above not surrendered

(₹ in crore)

Sl No	Grant Number	Name of the Grant/Appropriation	Savings	Amount surrendered	Savings which remained to be surrendered
I Appropriations					
A-Revenue					
1	03	Administration of Justice	12.21	9.39	2.82
II Grant					
A-Revenue					
2	03	Administration of Justice	42.67	38.36	4.31
3	04	Adi Dravidar and Tribal Welfare Department	1,375.35	1,370.62	4.73
4	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	69.17	67.59	1.58
5	13	Food and Consumer Protection (Co-operation , Food and Consumer Protection Department)	309.96	18.19	291.77
6	16	Finance Department	41.49	39.04	2.45
7	18	Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	3.76	2.11	1.65
8	19	Health and Family Welfare Department	506.36	476.78	29.58
9	20	Higher Education Department	316.65	309.76	6.89
10	21	Highways and Minor Ports Department	47.47	46.43	1.04
11	22	Police (Home, Prohibition and Excise Department)	99.85	71.60	28.25
12	24	Prisons and Correctional Services (Home, Prohibition and Excise Department)	28.40	27.21	1.20
13	31	Information Technology and Digital Services Department	109.17	108.06	1.10
14	32	Labour Welfare and Skill Development Department	348.28	346.95	1.33
15	39	Buildings (Public Works Department)	26.95	25.60	1.35
16	41	Revenue and Disaster Management Department	583.74	503.09	80.64
17	42	Rural Development and Panchayat Raj Department	1,621.71	1,620.59	1.12
18	43	School Education Department	275.58	244.06	31.52
19	45	Social Welfare and Women Empowerment Department	838.26	823.40	14.87
20	47	Hindu Religious and Charitable Endowments (Tamil Development, Religious Endowments and Information Department)	32.62	30.52	2.10
21	51	Relief on Account of Natural Calamities	169.12	164.01	5.11
22	54	Forests(Environment, Climate Change and Forests Department)	87.49	86.25	1.24
B-Capital					
23	21	Highways and Minor Ports Department	2,247.78	2,186.61	61.17
24	36	Planning, Development and Special Initiatives Department	1.94	0.00	1.94
25	40	Water Resources Department	819.66	768.26	51.40
C-Loans					
26	26	Housing and Urban Development Department	2.65	1.12	1.52
Total			10,018.29	9,385.60	632.68

(Source: Appropriation Accounts for the year 2022-23)

* In respect of Grant No.21, savings more than ₹one crore appear under both Revenue and Capital section

Appendix 3.13
(Reference: Paragraph 3.5.1.7 (b))
Surrender more than savings under the Grant/Appropriation

(₹ in lakh)

Sl No	Grant	Name of the Grant/Appropriation	Savings	Surrendered	Difference
Revenue-Charged					
1	04	Adi Dravidiar and Tribal Welfare Department	499.25	503.42	4.17
2	56	Debt Charges (Charged Appropriation)	3,09,512.77	3,16,676.08	7,163.31
Revenue-Voted					
3	01	State Legislature	972.37	972.50	0.13
4	05	Agriculture and Farmers Welfare Department	71,863.42	72,211.18	347.76
5	34	Municipal Administration and Water Supply Department	1,59,273.11	1,72,197.29	12,924.18
6	37	Prohibition and Excise (Home, Prohibition and Excise Department)	1,799.52	1,805.97	6.45
7	40	Water Resources Department	9,690.61	33,247.13	23,556.52
Capital-Voted					
8	05	Agriculture and Farmers Welfare Department	10,329.17	10,341.89	12.72
9	13	Food and Consumer Protection (Co-operation , Food and Consumer Protection Department)	2,824.17	2,824.33	0.16
10	19	Health and Family Welfare Department	28,241.14	29,524.21	1,283.07
11	30	Stationery and Printing (Tamil Development, Religious Endowments and Information Department)	124.28	134.12	9.84
12	32	Labour Welfare and Skill Development Department	5,647.34	8,596.65	2,949.31
13	34	Municipal Administration and Water Supply Department	1,20,439.88	1,20,439.91	0.03
14	35	Human Resources Management Department	125.05	165.82	40.77
15	39	Buildings (Public Works Department)	1,323.57	12,260.68	10,937.11
16	52	Department for the Welfare of Differently Aabled Persons	946.18	946.19	0.01
17	54	Forests(Environment, Climate Change and Forests Department)	1,634.84	1,656.43	21.59
Loans-Voted					
18	15	Environment and Climate Change (Environment, Climate Change and Forests Department)	24.87	25.56	0.69
19	34	Municipal Administration and Water Supply Department	0.86	40.00	39.14
20	48	Transport Department	37,274.55	37,275.89	1.34
Total			7,62,546.95	8,21,845.25	59,298.30

(Source: Appropriation Accounts for the year 2022-23)

Appendix 3.14
(Reference: Paragraph 3.5.1.7 (d))

List of Grants having Persistent Savings during 2018-2023

(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2018-19	2019-20	2020-21	2021-22	2022-23
(A) Revenue – Voted						
1	02 - Governor and Council of Ministers	4.05 (9.31)	6.85 (15.07)	12.78 (27.14)	12.07 (26.02)	7.09 (13.79)
2	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	114.75 (11.20)	142.35 (14.80)	245.67 (24.55)	413.55 (38.76)	69.17 (5.85)
3	11 - Stamps and Registration (Commercial Taxes and Registration Department)	40.19 (12.42)	36.28 (9.74)	69.59 (17.12)	35.92 (7.96)	31.53 (7.54)
4	23 - Fire and Rescue Services (Home, Prohibition and Excise Department)	25.92 (7.51)	33.87 (9.44)	64.22 (17.18)	21.33 (5.58)	42.29 (9.15)
5	28 – Information and Publicity (Tamil Development and Information Department)	9.78 (8.54)	13.19 (11.04)	22.49 (18.00)	40.58 (26.90)	28.90 (17.21)
6	31 – Information Technology Department	35.61 (22.38)	46.98 (28.21)	45.00 (28.43)	19.70 (20.14)	109.17 (54.80)
7	38 - Public Department	99.98 (18.65)	80.45 (8.53)	58.50 (9.29)	94.99 (8.15)	51.14 (7.65)
8	46 - Tamil Development (Tamil Development and Information Department)	20.18 (21.87)	5.97 (7.30)	9.59 (12.91)	11.86 (13.00)	13.03 (11.07)
9	47 - Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	28.89 (9.92)	26.61 (9.53)	125.30 (42.96)	38.66 (9.53)	32.62 (6.53)
10	49 - Youth Welfare and Sports Development Department	16.13 (6.93)	21.96 (6.89)	121.15 (43.65)	63.54 (28.19)	69.64 (16.99)
(A) Revenue – Charged						
11	01 – State Legislature	0.27 (37.56)	0.17 (28.38)	0.22 (38.18)	0.28 (49.63)	0.17 (22.75)
12	02 - Governor and Council of Ministers	2.55 (17.52)	1.31 (7.59)	2.41 (13.64)	0.87 (5.23)	4.16 (19.78)
13	19 - Health and Family Welfare Department	0.85 (59.67)	1.24 (81.79)	1.45 (53.56)	0.93 (49.88)	0.46 (29.31)
14	38 - Public Department	0.08 (21.20)	0.88 (25.68)	0.36 (70.29)	6.67 (64.34)	0.31 (25.49)
(B) Capital - Voted						
15	04 - Adi-Dravidar and Tribal Welfare Department	75.90 (50.43)	42.55 (31.75)	103.95 (28.15)	177.91 (43.91)	50.58 (12.20)
16	05 - Agriculture and Farmer's Welfare Department	113.29 (24.53)	160.65 (37.72)	100.60 (25.97)	295.40 (53.77)	103.29 (35.15)
17	13 - Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	69.50 (32.36)	270.72 (55.96)	350.99 (97.12)	774.06 (89.21)	28.24 (8.91)
18	16 - Finance Department	768.90 (99.11)	768.41 (99.79)	500.00 (100)	572.64 (92.36)	675.45 (91.20)
19	20 - Higher Education Department	38.63 (10.21)	45.84 (19.18)	132.17 (48.88)	169.08 (48.50)	172.49 (44.62)
20	21 - Highways and Minor Ports Department	1,990.87 (20.82)	2,865.26 (23.63)	1,407.31 (56.65)	2,797.83 (17.29)	2247.78 (13.47)

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(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2018-19	2019-20	2020-21	2021-22	2022-23
21	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	33.33 (53.29)	137.29 (69.40)	56.65 (27.38)	8.98 (16.40)	60.51 (41.69)
22	32 - Labour Welfare and Skill Development Department	38.78 (47.76)	27.22 (28.37)	19.57 (24.75)	14.31 (22.20)	56.47 (8.51)
23	40 - Water Resources Department	1,336.56 (43.18)	1,514.88 (39.29)	1,534.52 (26.36)	1,329.78 (34.58)	819.66 (18.26)
24	43 - School Education Department	78.69 (23.20)	163.68 (42.59)	145.59 (43.45)	26.53 (15.23)	327.42 (60.08)
	(C) Loan - Voted					
25	14 - Energy Department	456.19 (48.99)	475.59 (27.59)	1148.26 (61.76)	485.72 (38.37)	1464.18 (79.41)
26	15 - Environment and Climate Change (Environment, Climate Change and Forests Department)	20.00 (100)	20.00 (100)	1.05 (100)	1.15 (21.48)	0.25 (5.31)
27	16 - Finance Department	23.74 (17.99)	37.43 (28.52)	64.26 (50.81)	62.43 (48.40)	71.89 (55.74)
28	22 - Police (Home, Prohibition and Excise Department)	5.00 (71.44)	3.61 (72.29)	1.69 (5.87)	4.81 (29.10)	11.94 (56.47)

(Figures in brackets indicate savings as a percentage of total provision)

(Source: Appropriation Accounts for the respective years)

Under Grant Nos 2 and 38, persistent savings occurred in both Voted and Charged section of Revenue head

Appendix 3.15
(Reference: Paragraph 3.5.2.3)

Rush of Expenditure (100% Expenditure in March where provision more than one crore)

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2023 (₹ in crore)
(A) Revenue – Voted				
1	04	2225.01.277.BD	Compensation to Government Aided Polytechnics / Engineering Colleges	13.25
2	04	2225.01.277.KS	Educational Assistance for Meritorious Adi-Dravidar / Tribal Students to study in reputed schools	8.53
3	04	2225.01.800.JB	Assistance to Technically Trained persons	0.99
4	04	2225.02.277.SD	Development of Particularly Vulnerable Tribal Groups	9.08
5	04	3604.00.200.BR	Devolution Grants to Rural Local Bodies for Providing basic amenities to Adi Dravidar habitations	100.00
6	05	2059.01.053.AW	Buildings - Agriculture Department (Administered by Chief Engineer (Buildings))	1.96
7	05	2401.00.107.AL	Assistance for Unforeseen Pest attacks and Other events	0.25
8	09	2225.03.102.KF	Free tools to Most Backward Classes	0.71
9	09	2225.03.190.JA	Assistance to Tamil Nadu Backward Classes Economic Development Corporation for Subsidy to Backward and Most Backward Class farmers for Irrigation Facilities	4.50
10	09	2225.80.800.AE	Supply of free Bicycles to Ulemas and Motinars belonging to Islamic Communities	5.44
11	09	2250.00.103.AC	Repairs and Renovation of Wakf properties	2.00
12	09	2250.00.103.JA	Repairs and Renovation of Christian Churches	6.00
13	12	2425.00.108.KD	Interest Subsidy to Co-operative institutions towards reduced interest for crop loans to the farmers	300.00
14	12	2425.00.789.JA	Interest subsidy to Co-operative institutions for crop loan to the farmers Under Special Component Plan	50.00
15	14	2810.00.104.AA	Establishment of Solar Powered Electric Vehicles (EV) Charging Stations under State Innovation Fund	1.50
16	18	2851.00.105.AL	Rebate on Sale of Khadi Cloth to Khadi Board	4.00
17	19	2210.05.200.JE	Payment of all fees for the students admitted under the 7.5% Preferential allotment of seats in BSMS, BAMS, BUMS and BHMS courses	1.63
18	19	2210.80.793.UA	National Mission on AYUSH under Special Component Plan for Scheduled Castes	3.05
19	19	2210.80.794.UA	National Mission on AYUSH under Tribal Area Sub-Plan	1.21
20	19	2211.00.103.UC	National Urban Health Mission Schemes	71.88
21	19	2211.00.103.UF	National Urban Health Mission Schemes - State Share	11.79
22	19	2211.00.793.UC	National Urban Health Mission Schemes under Special Component Plan	13.51
23	19	2211.00.793.UF	National Urban Health Mission Schemes under Special Component Plan - State Share	11.93
24	20	2202.03.104.UA	Grants for implementation of Rashtriya Uchhatar Siksha Abhiyan (RUSA)	39.49
25	20	2202.03.793.UA	Grants for implementation of Rashtriya Uchhatar Siksha Abhiyan (RUSA)	2.59
26	20	2202.03.793.UB	Grants for implementation of Rashtriya Uchhatar Siksha Abhiyan (RUSA) - State Share	6.07

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Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2023 (₹ in crore)
27	20	2203.00.102.AO	Development of semi and Fully Automated Intelligent Exo-Skeletal and Prosthetics for Disabled Communities - Schemes under State Innovation Fund	2.25
28	20	2203.00.112.AI	Assistance to Post Graduate Students	6.63
29	22	2055.00.113.AC	Assistance to Police Welfare	1.00
30	22	2059.01.053.CU	Non Residential Buildings - Police Department - Administered by the Commissioner of Police, Chennai	1.67
31	25	2059.01.053.AF	Buildings- Buildings under the control of Transport Commissioner (Administered by Chief Engineer (Buildings))	0.08
32	26	2217.05.800.PD	Grants to DTCP for implementation of ADB assisted Inclusive Resilient and Sustainable Housing for the Urban Poor	2.23
33	27	2852.80.800.BB	Land cost Investment Incentive	25.25
34	32	2230.01.103.AC	Labour Welfare Fund - controlled by the Commissioner of Labour	4.70
35	32	2230.03.003.PA	Two-tier Skill Development Centres under TNIPP Phase-2	6.48
36	32	2230.03.793.PA	Two-tier Skill Development Centres under TNIPP Phase-2	1.44
37	34	2215.02.107.AA	Grants to WSPF for implementation of Under Ground Sewerage Scheme in Villupuram Municipality for Debt servicing and repayment of loans availed in HUDCO	0.08
38	34	2215.02.107.AB	Grants to WSPF for implementation of Under Ground Sewerage Scheme in Tindivanam Municipality for Debt servicing and repayment of loans availed in HUDCO	0.09
39	34	2217.05.800.KF	Grant to CMA for implementation of Asian Development Bank assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP)	13.50
40	34	3475.00.108.JF	Implementation of Urban Wage Employment Programme	25.00
41	34	3604.00.200.BN	Incentive to Urban Local Bodies	419.41
42	36	3475.00.800.JI	Awareness Building, Capacity Building, Evaluation, Documentation and Awards for Innovation	0.28
43	38	2235.01.800.AI	Transportation of deceased Non Resident Tamils / Repatriation of Tamil Nationals in distress/ medical invalidation	0.12
44	40	2215.01.101.JN	Capital Grant to Andhra Pradesh for Krishna Water Supply Project	106.00
45	41	2070.00.800.CK	Grants to Tamil Nadu Disaster Risk Reduction Agency	13.68
46	42	2215.02.105.UB	Total Sanitation Campaign - Swacch Bharat Mission	56.56
47	42	2215.02.105.UC	Total Sanitation Campaign - Swacch Bharat Mission - State Share	37.71
48	42	2215.02.793.UA	Total Sanitation Campaign - Swacch Bharat Mission	20.01
49	42	2215.02.793.UB	Total Sanitation Campaign - Swacch Bharat Mission - State Share	13.34
50	42	2215.02.794.UA	Total Sanitation Campaign - Swacch Bharat Mission	1.90
51	42	2215.02.794.UB	Total Sanitation Campaign - Swacch Bharat Mission - State Share	1.27
52	42	2216.03.800.JJ	Reconstruction and Repairs of Samathuvapurams.	67.01
53	42	2235.02.103.CA	Providing Training and Incubation facility to Self Help Group women on Food Processing technology Schemes under State Innovation Fund	1.01
54	42	2501.06.003.UB	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY)	0.25
55	42	2501.06.102.UB	Startup Village Entrepreneurship Programme (SVEP)	0.44
56	42	2501.06.793.UE	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY) - State Share	0.10
57	42	2501.06.794.UA	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY)	0.11

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2023 (₹ in crore)
58	42	2501.06.794.UE	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY) - State Share	0.07
59	43	2202.01.800.BB	Assistance to the students studying 1 - 8 std. of Government/Aided Schools where breadwinning father or mother dies in an accident or permanently incapacitated - Controlled by the Director of Elementary Education	4.60
60	43	2202.01.800.BD	Reimbursement of fee claimed as per the provision of section 12(1)(c) of Right of Children to Free and Compulsory Education Act, 2009 (L.K.G. & U.K.G.)	98.18
61	43	2202.01.800.KN	Free Supply of Woolen Sweaters to Students	1.34
62	43	2202.01.800.KU	Reimbursement of fee claimed as per the provision of section 12(1)(c) of Right of Children to Free and Compulsory Education Act, 2009	266.26
63	43	2202.02.001.AD	Foreign Educational Tour for best performing students	3.00
64	43	2202.02.109.KJ	Incentive to Students to reduce drop out in Secondary Education level	204.68
65	43	2202.02.789.JH	Incentive to Students to reduce drop out in Higher Secondary Education level	62.77
66	43	2202.02.796.JB	Incentive to Students to reduce drop out in Secondary Education level	5.46
67	43	2202.02.800.JP	Assistance to the students studying 9 -12 std. of Government/Aided Schools where breadwinning father or mother dies in an accident or permanently incapacitated - Controlled by the Director of School Education	9.01
68	43	2202.02.800.JS	Free supply of Footwear to School going children	42.78
69	43	2225.01.789.JF	Free supply of Footwear to School going children under School Education	14.45
70	44	2851.00.102.DD	Micro Cluster development Programme	50.00
71	44	2851.00.102.MN	Grants to Cluster of Tiny Industries	2.07
72	45	2235.02.103.BQ	Scheme for Supply of Sewing Machines	1.35
73	45	2235.02.104.KP	Integrated Complex of Special Homes for Senior Citizens and Destitute Children	0.34
74	47	2250.00.102.AK	Grants to Hindus of Tamil Nadu performing pilgrimage to Manasarover and Mukthinath	0.10
75	51	2245.05.101.AC	Transfer to State Disaster Response Fund	1,142.40
76	52	2235.02.101.DO	Development of Integrated Services Ability Platform / Super App Schemes under State Innovation Fund	1.26
77	52	2235.02.101.NK	Providing Electronic Braille Reader to Visually Impaired persons	0.62
78	52	2235.02.101.NP	Grants to RKMVERI, Coimbatore for conducting Disability Management and Special Education Courses	1.78
79	54	2406.01.101.JF	DGPS Survey of notified Forest Areas of Tamil Nadu	0.19
80	54	2406.02.110.AW	Preparation of Detailed Project Report - Botanical Garden, Chennai	0.59
(B) Capital - Voted				
81	04	4225.01.277.JN	Upgrading infrastructure facilities in the Schools of Adi-Dravidar Department with loan assistance of NABARD under RIDF	2.45
82	07	4405.00.101.JT	Establishment of Native fish species production Centre	4.34
83	21	5054.03.337.JP	Project for the formation at Chennai Peripheral Ring Road (CPRR) with Asian Infrastructure Investment Bank (AIIB) and Organization of the Petroleum Exporting Countries (OPEC) Fund for International Development Assistance (OFID)	30.00
84	24	4070.00.800.KE	Construction of Buildings for Prison Department	1.37
85	29	5452.80.104.AA	Promotion of Traditional Sports	1.00

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Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2023 (₹ in crore)
86	34	4215.01.101.PD	Design, Build and Commissioning of 120 MLD (2 Nos.) Capacity Sewage Treatment Plant at Kodungaiyur Zone I & II - TNIPP-2	25.00
87	34	4215.01.101.PE	Rehabilitation and Modification works and additional works in existing 110 MLD Capacity Sewage Treatment Plant at Kodungaiyur TNIPP-2	4.37
88	34	4215.01.101.PF	Design, Build and Commissioning of additional 60 MLD Capacity Sewage Treatment Plant at Perungudi - TNIPP-2	6.46
89	34	4215.01.101.PG	Rehabilitation and Modification works and additional works in existing 60 and 120 MLD Capacity Sewage Treatment Plant at Koyambedu TNIPP-2	6.41
90	34	4215.01.101.PH	Design, Build and Commissioning of additional 50 MLD Capacity Sewage Treatment Plant at Nesapakkam - TNIPP-2	7.33
91	34	4215.01.101.PJ	Rehabilitation and Modification works and additional works in existing 54 and 60 MLD Capacity Sewage Treatment Plant at Perungudi TNIPP-2	5.45
92	34	4215.01.102.JA	Rural Water Supply under Minimum Needs Programme	40.82
93	34	4215.01.789.JA	Rural Water Supply under Minimum Needs Programme	21.05
94	34	4215.01.796.JA	Rural Water Supply under Minimum Needs Programme	1.91
95	34	4217.60.800.PH	Capital Grant to TNUDF (GF-II) for Implementing World Bank Assisted Tamil Nadu Sustainable Urban Development Project (TNSUDP)	28.77
96	34	4217.60.800.PM	Capital Grants to Project Sustainability Grant Fund (PSGF) for implementation of Asian Development Bank (ADB) assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP) Tranche-II	75.00
97	34	4217.60.800.PN	Capital Grants to Project Sustainability Grant Fund (PSGF) for implementation of Solar Development Sub-Project under the Asian Development Bank assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP) Tranche-I	0.78
98	42	4515.00.103.JC	Implementation of Road Works with NABARD assistance	94.12
99	42	4515.00.789.JD	Implementation of Road Works with NABARD assistance under Special Component Plan for Scheduled Castes - Controlled by DRD	28.24
100	42	4515.00.796.JA	Implementation of Road Works with NABARD assistance under Tribal Sub-Plan	3.14
101	43	4202.04.105.JC	Construction / Upgradation of the Library Building under control of Directorate of Public Libraries	0.57
		Total		3,802.84

(Source: Appropriation Accounts for the year 2022-23)

Appendix 3.16
(Reference: Paragraph 3.6)
Details of Contingency Fund advances sanctioned during the year

CF Order No.	Date of Issue of Government order	Head of Account & Nomenclature	Provision as per CF order (in ₹)	Amount utilised out of CF as reported by AG (A&E) (In ₹)
1	G.O. Rt. No. 363 dated 12-05-2022	2851.00.102.LW - Small Tea Growers Protection Scheme	5,00,00,000	5,00,00,000
2	G.O. Rt. No. 461 dated 24-06-2022	4059.01.051.JY - Construction of New Building Complex for the Tamil Nadu Legislative Assembly and Secretariat.	19,60,17,000	19,60,16,733
3	G.O. Rt. No. 495 dated 09-07-2022	2054.00.098.AI - Director General of Audit	9,09,000	8,43,828
4	G.O. Rt. No. 534 dated 18-07-2022	3425.60.200.AL - Tami Nadu Unmanned Aerial Vehicles Corporation	3,00,00,000	3,00,00,000
5	G.O. Rt No 614 dated 17.08.2022	2039.00.001.AA - Headquarters Establishment - Commissioner of Prohibition and Excise Department	2,99,72,000	2,80,70,685
6	G.O. Rt No 620 dated 22.08.2022	2203.00.112.AO – Expenditure on Education to the Government School Students passed in the Engineering Entrance Examination for studying at Indian Institute of Technology	1,71,000	1,70,034
7	G.O. Rt No 623 dated 22.08.2022	2236.02.102.BG - Providing Breakfast to the Government Primary School Students on all School Days under Chief Minister's Breakfast Scheme	11,69,48,000	11,69,48,000
8	G.O. Rt No 650 dated 01.09.2022	2203.00.112.AN - Establishment of Project Monitoring Unit (PMU) at Directorate of Technical Education.	4,40,000	2,54,995
9	G.O. Rt No 691 dated 09.09.2022	2054.00.098.AI - Director General of Audit	20,76,000	4,86,261
10	G.O. Rt No 794 dated 10.10.2022	2404.00.800.AC - Settlement of Milk arrear payment to Village Milk producers towards supply of Milk Powders as relief assistance to Srilankan People	15,00,00,000	15,00,00,000
11	G.O. Rt No 802 dated 12.10.2022	2236.02.102.BG - Providing Breakfast to the Government Primary School Students on all School Days under Chief Minister's Breakfast Scheme	2,84,67,000	0
12	G.O. Rt No 814 dated 16.10.2022	2235.01.105.AC - Refugees relief measures	1,39,00,000	1,39,00,000
13	G.O. Rt No 1017 dated 23.12.2022	2225.01.277.AE - Hostels	33,34,000	33,34,000
14	G.O. Rt No 1022 dated 26.12.2022	2055.00.109.AA - District Police	75,00,000	75,00,000
15	G.O. Rt No 38 dated 13.01.2023	2205.00.102.JA - Lumpsum Provision for Cultural Activities	3,50,00,000	3,50,00,000
16	G.O. Rt No 39 dated 13.01.2023	2551.01.137.JF - Assistance to Tamil Nadu Urban Habitat Development Board (TNUHDB) for settlement of beneficiaries contribution in respect of removal of encroachment in Megamalai Wildlife sanctuary in Theni District	1,74,15,000	27,43,000
17	G.O. Rt No 90 dated 06.02.2023	2220.01.105.AJ - Film and T.V. Institute of Tamil Nadu	4,85,000	4,84,100

CF Order No.	Date of Issue of Government order	Head of Account & Nomenclature	Provision as per CF order (in ₹)	Amount utilised out of CF as reported by AG (A&E) (In ₹)
18	G.O. Rt No 111 dated 10.02.2023	4701.01.800.FB - Barrage - NABARD assistance	2,00,00,000	1,85,95,971
19	G.O. Rt No 119 dated 13.02.2023	2235.02.104.BH - PARAVAI	8,15,000	8,15,000
20	G.O. Rt No 120 dated 13.02.2023	2055.00.108.AB - Law and Order	25,00,000	17,38,617
21	G.O. Rt No 130 dated 15.02.2023	2701.80.004.PA - Strengthening of Institute of Water Studies under TNIAM Project-II	93,70,000	92,63,576
22	G.O. Rt No 131 dated 15.02.2023	2052.00.090.AT - Human Resources Management Department	22,50,000	22,50,000
23	G.O. Rt No 227 dated 17.03.2023	2055.00.108.AM - Security - Chennai Police	3,58,25,000	3,58,25,000
Total			75,33,94,000	70,42,39,800

(Source: Furnished by O/o AG(A&E))

Note: CF order. No. 2 and 17 were considered as fully utilized since unutilised amount was less than ₹ 1000

Appendix 4.1
(Reference: Paragraph 4.5)

List of outstanding Utilisation Certificates

Sl. No.	Name of the Department	Year of UC due	No. of UCs due	Amount (₹ in crore)
1	Directorate of Rural Development and Panchayat	2022-23	2	5.81
2	Commissionerate of Industries and Commerce	2017-18	1	4.56
3		2018-19	1	1.71
4		2020-21	1	0.60
5		2021-22	2	3.82
6		2022-23	2	4.24
7	Registrar of Co-operative Society	2022-23	2	0.73
8	Commissionerate of Municipal Administration	2019-20	1	3.04
9		2020-21	1	11.17
10		2021-22	3	97.98
11	Directorate of Adi-Dravidar Welfare	2021-22	1	0.00**
12	BC, MBC and Minorities Welfare Department – Secretariat	2021-22	1	0.97
13	Chennai Metropolitan Water Supply and Sewerage Board	2020-21	1	6.27
14		2021-22	2	350.00
15		2022-23	2	87.50
16	Housing and Urban Development Department – Secretariat	2021-22	1	50.00
17	Tamil Nadu Agricultural University, Coimbatore	2021-22	2	41.46
18		2022-23	2	17.98
19	Directorate of Agriculture	2021-22	1	0.00*
20	Directorate of Town and Country Planning	2017-18	1	12.20
21		2021-22	1	18.78
22		2022-23	1	13.00
23	Directorate of Medical Education	2018-19	1	6.24
24	Directorate of Town Panchayat	2021-22	1	6.21
25	Tamil Nadu Slum Clearance Board	2021-22	2	3.08
26		2022-23	10	687.93
27	Tamil Nadu Physical Education and Sports University	2021-22	1	0.01
28		2022-23	1	0.14
Total			48	1,435.43

* ₹ 100 ** ₹ 30,000

(Source: Notes to Accounts 2022-23)

Appendix 4.2
(Reference: Paragraph 4.10)
Expenditure under Minor Head ‘800 – Other expenditure’

(₹ in crore)

Sl. No.	Major Head	Expenditure under Minor Head ‘800’	Total Expenditure	Percentage
1.	4701 - Capital Outlay on Medium Irrigation	378.54	378.19	100.09
2.	4070 - Capital Outlay on Other Administrative Services	145.04	145.04	100.00
3.	4236 - Capital Outlay on Nutrition	5.82	5.82	100.00
4.	4700 - Capital Outlay on Major Irrigation	2,691.43	2,691.43	100.00
5.	4801 - Capital Outlay on Power Projects	57.99	57.99	100.00
6.	4859 - Capital Outlay on Telecommunication and Electronic Industries	184.00	184.00	100.00
7.	5475 - Capital Outlay on other General Economic Services	33.70	33.70	100.00
8.	4408 - Capital Outlay on Food, Storage and Warehousing	188.17	191.82	98.10
9.	2852 - Industries	1,528.06	1,774.13	86.13
10.	2425 - Co-operation	4,471.16	5,438.73	82.21
11.	2700 - Major irrigation	464.24	607.06	76.47
12.	2701 - Major and Medium Irrigation	1,054.26	1,544.34	68.27
13.	2401 - Crop Husbandry	7,927.78	13,286.61	59.67

(Source: Notes to Accounts 2022-23)

Appendix 4.3
(Reference: Paragraph 4.10)
Receipts under Minor Head '800 – Other receipts'

(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head '800'	Total Receipts	Percentage
1.	0250 – Other Social Services	391.94	389.85	100.54
2.	1456 - Civil Supplies	15.77	15.75	100.13
3.	0211 – Family Welfare	270.77	270.77	100.00
4.	0215 - Water Supply and Sanitation	0.89	0.89	100.00
5.	0217 - Urban Development	1,091.90	1,091.90	100.00
6.	0407 - Plantations	0.01	0.01	100.00
7.	0408 - Food Storage and Warehousing	6.95	6.95	100.00
8.	0415 - Agricultural Research and Education	0.01	0.01	100.00
9.	0506 - Land Reforms	0.02	0.02	100.00
10.	0810 - Non-Conventional Sources of Energy	0.54	0.54	100.00
11.	0875 - Other Industries	0.01	0.01	100.00
12.	1051 - Ports and Light Houses	3.37	3.37	100.00
13.	1056 - Inland Water Transport	0.24	0.24	100.00
14.	1452 - Tourism	0.26	0.26	100.00
15.	0235 - Social Security and Welfare	144.08	145.69	98.89
16.	0405 - Fisheries	160.52	173.75	92.39
17.	0435 - Other Agricultural Programmes	53.31	61.23	87.07
18.	0425 - Co-operation	35.82	41.74	85.82
19.	0070 - Other Administrative Services	1,045.01	1,225.48	85.27
20.	0702 - Minor Irrigation	2.42	2.91	83.16
21.	0029 - Land Revenue	200.45	247.73	80.91
22.	0852 - Industries	20.02	25.85	77.45
23.	0515 - Other Rural Development Programmes	1.49	1.93	77.20
24.	0406 - Forestry and Wildlife	81.70	112.71	72.49
25.	0701 - Major and Medium Irrigation	50.01	70.74	70.70
26.	0403 - Animal Husbandry	8.26	12.68	65.14
27.	0220 - Information and Publicity	6.03	9.55	63.14
28.	0059 - Public Works	17.21	28.79	59.78
29.	0210 - Medical and Public Health	914.98	1,607.58	56.92
30.	0049 - Interest Receipts	2,612.83	4,747.10	55.04
31.	0216 - Housing	90.71	178.16	50.91

(Source: Notes to Accounts 2022-23)

Appendix 4.4
(Reference: Paragraph 4.16)
List of Bodies and Authorities, the accounts of which
had not been received as at the end of 2022-23

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2022-23
Universities			
1	Alagappa University, Karaikudi	2017-18 to 2022-23	6
2	Anna University, Chennai-25	2018-19 to 2022-23	5
3	Bharathiar University, Coimbatore	2021-22, 2022-23	2
4	Bharathidasan University, Trichy	2015-16, 2017-18, 2020-21, 2021-22, 2022-23	5
5	Madurai Kamaraj University, Madurai	2016-17, 2017-18, 2021-22, 2022-23	4
6	Manonmaniam Sundaranar University, Tirunelveli	2021-22, 2022-23	2
7	Mother Teresa Women's University, Kodaikanal	2017-18, 2020-21, 2021-22, 2022-23	4
8	Periyar University, Salem	2017-18 to 2022-23	6
9	Thiruvallur University, Fort Campus, Vellore	2021-22, 2022-23	2
10	University of Madras, Chennai-5	2015-16, 2021-22, 2022-23	3
11	Tamil Nadu Open University, Guindy, Chennai-25	2021-22, 2022-23	2
12	Annamalai University, Chidambaram	2020-21, 2021-22, 2022-23	3
13	Tamil University, Thanjavur	2021-22, 2022-23	2
14	Tamil Nadu Agriculture University, Coimbatore	2020-21, 2021-22, 2022-23	3
15	Tamil Nadu Veterinary and Animal Science University, Madhavaram, Chennai	2021-22, 2022-23	2
16	Tamil Nadu Dr. J. Jayalalitha Fisheries University, Nagapattinam	2021-22, 2022-23	2
Engineering Colleges			
17	PSG College of Technology	2022-23	1
18	Thiyagarajar College of Engineering	2021-22, 2022-23	2
19	Coimbatore College of Engineering	2019-20, 2022-23	2
Arts & Science Colleges			
20	A.Veeriya Vandayar Memorial Sri Pushpam College, Poondi, Thanjavur Dt.	2022-23	1
21	Ambai Arts College, Ambasamudram	2022-23	1
22	Annammal College of Education for Women, Tuticorin	2022-23	1
23	Arignar Anna College, Aralvoymoli	2019-20, 2021-22	2
24	Jamia Darussalam Arabic College, Omerabad	2022-23	1
25	Khadir Mohideen College, Adirampattinam	2019-20	1
26	Lakshmiapuram College of Arts and Science, Neyoor	2022-23	1
27	Madras Christian College, Tambaram, Chennai	2022-23	1
28	Mazharul Uloom College, Ambur	2022-23	1
29	Nesamony Memorial Christian College, Marthandam	2022-23	1
30	Pasumpon Muthu Ramalinga Thevar College, Usilampatti, Madurai	2021-22, 2022-23	2
31	Pasumpon Muthu Ramalinga Thevar College, Nallur	2022-23	1
32	Poompuhar College, Mayiladuthurai	2022-23	1
33	Sacred Heart College, Tirupathur	2022-23	1

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2022-23
34	Sri Kumara Gurupara Swamigal Arts College, Srivaikundam	2020-21, 2022-23	2
35	Sri Sathguru Sangeetha Vidyalayam College of Music, Madurai	2022-23	1
36	S.T. Hindu College, Nagercoil	2022-23	1
37	The Madras School of Social Work, Egmore, Chennai	2022-23	1
38	Thiruvalluvar College, Papanasam	2022-23	1
39	Tirunelveli Dakshina Mara Nadar Sangam College, T.Kallikulam	2022-23	1
40	Tranqueber Bishop Manikam Lutheran College, Porayar	2017-18 to 2020-21, 2022-23	5
41	V.O.Chidambaram College of Education, Tuticorin	2018-19	1
42	Vivekananda College, Agasteeswaram	2022-23	1
43	A P C Mahalakshmi College for Women, Tuticorin	2022-23	1
44	Aditanar College of Arts and Science, Tiruchendur	2022-23	1
45	Arulmigu Palani Andavar College of Arts and Culture, Palani	2020-21	1
46	Arumugam Pillai Seethai Ammal College, Tirupathur	2022-23	1
47	AVC College, Mayiladuthurai	2019-20	1
48	Ayya Nadar Janaki Ammal College, Sivakasi	2017-18, 2018-19, 2021-22, 2022-23	4
49	Bishop Heber College, Trichy	2021-22, 2022-23	2
50	CBM College, Coimbatore	2021-22	1
51	Devanga Arts College, Aruppukottai	2022-23	1
52	Dhanabagiyam Krishnaswamy Mudaliar College for Women, Sainathapuram, Vellore	2020-21	1
53	Dharmapuram Adinam Arts College, Mayiladuthurai	2020-21, 2022-23	2
54	EM Gopalakrishna Kone Yadava Women's College, Madurai	2022-23	1
55	Fatima College, Madurai	2022-23	1
56	Gobi College of Arts and Science, Erode	2019-20 to 2021-22	3
57	GTN Arts College, Dindigul	2022-23	1
58	Islamiah College, Vaniyambadi	2019-20, 2020-21	2
59	Jayaraj Annackiam College, Periakulam	2020-21	1
60	Kalai Kaviri College of Arts, Trichy	2017-18, 2022-23	2
61	Kongundu Arts and Science College, Coimbatore	2019-20	1
62	Lady Doak College, Madurai	2022-23	1
63	Lakshmi College of Education, Dindigul	2021-22, 2022-23	2
64	Madura College, Madurai	2022-23	1
65	Madurai Institute of Social Sciences, Madurai	2022-23	1
66	Mannar Thirumalai Naicker College, Madurai	2018-19	1
67	Meston College of Education, Royapettah, Chennai	2019-20	1
68	Nadar Mahajana Sangam, S. Vellaichamy Nadar College, Madurai	2022-23	1
69	Nallamuthu Gounder Mahalingam College, Pollachi	2017-18 to 2022-23	6
70	Nazareth Margosis College, Nazareth	2019-20, 2022-23	2
71	Nirmala College for Women, Coimbatore	2021-22	1
72	NKT National College of Education, Triplicane, Chennai	2020-21	1
73	NVKSD College of Education, Tiruvattar, Kanyakumari District.	2022-23	1

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Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2022-23
74	Pachaiyappa's College, Chetput, Chennai	2022-23	1
75	Pachaiyappa's College for Men, Kancheepuram	2022-23	1
76	Pasumpon Thiru. Muthu Ramalinga Thevar Memorial College, Kamuthi, Ramnad Dt.	2018-19	1
77	Popes College, Sawyerpuram	2022-23	1
78	PSG College of Arts and Science (Autonomous), Coimbatore	2019-20, 2020-21	2
79	PSGR Krishammal College for Women, Peelamedu, Coimbatore	2017-18, 2019-20, 2020-21	3
80	Rajah's College of Sanskrit, Tamil and Music Studies, Thiruvaiyaru	2022-23	1
81	Rajapalayam Rajus College, Rajapalayam	2018-19, 2019-20	2
82	Ramaswamy Tamil College, Karaikudi	2017-18 to 2020-21, 2022-23	5
83	Sadakathulla Appa College, Palayamkottai, Tirunelveli	2021-22, 2022-23	2
84	Saiva Bhanu Kshatriya College, Aruppukottai	2017-18 to 2022-23	6
85	Sarah Tucker College, Tirunelveli	2022-23	1
86	Seethalakshmi Ramaswami College for Men, Trichy	2022-23	1
87	Senthamil College, Madurai	2020-21, 2021-22, 2022-23	3
88	Senthamil Oriental College, Madurai	2021-22, 2022-23	2
89	Sourashtra College, Madurai	2019-20 to 2021-22	3
90	Sree Sevugan Annamalai College, Devakottai	2017-18, 2022-23	2
91	Sri GVG Visalakshi College for Women, Udumalpet	2017-18 to 2021-22	5
92	Sri Paramakalyani College, Alwarkurichi	2018-19 to 2021-22	4
93	Sri Parasakthi College for Women, Courtalam	2022-23	1
94	Sri Ramakrishna Mission Vidyala Maruthi College of Physical Education, Coimbatore	2022-23	1
95	Sri Ramakrishna Mission Vidyalaya College of Arts and Science, Coimbatore	2018-19, 2019-20	2
96	Sri S Ramaswamy Naidu Memorial College, Sattur	2018-19, 2022-23	2
97	Sri Sarada College for Women, Salem	2017-18	1
98	Sri Vasavi College, Erode	2022-23	1
99	Srimath Siva Gnana Balaya Swamigal Tamil, Arts and Science College, Mailam	2018-19	1
100	St. Ignatius College of Education, Palayamkottai	2020-21, 2022-23	2
101	St. Christopher's College of Education, Periyamet, Chennai	2017-18, 2018-19, 2019-20	3
102	St. Xavier's College, Palayamkottai, Tirunelveli	2021-22, 2022-23	2
103	St. Xavier's College of Education, Palayamkottai, Tirunelveli	2022-23	1
104	Thavathiru Santhalinga Adigalar Arts, Science and Tamil College, Coimbatore	2021-22, 2022-23	2
105	The American College, Madurai	2022-23	1
106	The Madurai Diraviyam Thayumanavar Hindu College, Tirunelveli	2022-23	1
107	The Standard Fire Works Rajaratnam College for Women, Sivakasi	2018-19	1
108	The Women's Christian College, Nungambakkam, Chennai	2019-20, 2022-23	2

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2022-23
109	Thiagarajar College of Preceptors, Madurai	2018-19, 2019-20, 2020-21	3
110	Urumu Dhanalakshmi College, Trichy	2022-23	1
111	V.O. Chidambaram College of education, Tuticorin	2018-19	1
112	Vivekananda College, Madurai	2022-23	1
113	Women's Christian College, Nagercoil	2017-18, 2018-19, 2019-20	3
114	Yadava College, Madurai	2022-23	1
115	YMCA College of Physical Education, Nandanam, Chennai	2017-18, 2018-19, 2020-21	3
116	Agurchand Manmull Jain College, Meenambakkam, Chennai - 600 114	2017-18, 2018-19, 2019-20, 2020-21	4
117	Arulmigu Palani Andavar Arts College for Women, Chinnakalaymaputhur, Palani	2020-21	1
118	A. Doraisamy Nadar Maragathavalli Ammal College, (A.D.M. College for Women), Vellipalayam, Nagapattinam	2019-20, 2020-21	2
119	Chikkaiah Naicker College, Veerappanchatram (PO), Erode 638 004	2020-21, 2022-23	2
120	Cardamom Planters' Association College, PB No.29, Pankajam Nagar, Bodinayakanur - 625 513 Theni Dist.	2020-21	1
121	C.Kandasami Naidu College for Women, Cuddalore 607 001	2022-23	1
122	Dr. Jakir Hussain College, Ilayangudi - 630 702	2019-20, 2020-21, 2022-23	3
123	Dhanraj Baid Jain College, Jothi Nagar, Oggiam, Thoraipakkam, Chennai - 600 096	2019-20, 2020-21, 2022-23	3
124	Dwraka Doss Govardhan Doss Vaishnav College, 445, Periyar EVR High Road, Arumbakkam, Chennai - 600 106	2018-19, 2019-20, 2020-21	3
125	Erode Arts & Science College, Rangampalayam, Erode 638 009	2017-18, 2018-19	2
126	Guru Nanak College, Velachery Road, Velachery, Chennai - 600 042,	2017-18, 2018-19, 2019-20, 2020-21	4
127	Hajee Karutha Rowther Howdia College, Uthamapalayam - 626 533	2018-19, 2019-20, 2020-21, 2021-22,	4
128	Holy Cross College, PB No.118, Teppakulam, Tiruchirappalli - 620 002	2020-21, 2022-23	2
129	J.K.K. Nataraja College of Arts and Science, Komarapalayam 638 183	2020-21	1
130	Jamal Mohammed College, No. 7, Race Course Road, Khaja Nagar, Tiruchirappalli - 620 020	2020-21	1
131	Loyala College, Nungambakkam, Chennai -600 634	2018-19, 2019-20, 2020-21, 2022-23	4
132	Muzyyath Sha Sirguro Wakf Board College, K.K.Nagar, Madurai -625 020	2020-21	1
133	National College, Tiruchirappalli - 620 001	2020-21	1
134	Nehru Memorial College, Puthanampatti, Tiruchirappalli 621 007	2016-17, 2020-21	2
135	Pachaiyappa's College for Women, Kancheepuram - 631 503	2017-18, 2019-20, 2020-21,	3
136	Providence College for Women, Spring Field, Coonoor – 643 104 The Nilgiris	2016-17, 2020-21	2
137	Pioneer Kumaraswamy College, Nagercoil – 629 003 Kanyakumari Dist.	2022-23	1

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Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2022-23
138	Rama Krishna Mission Vivekananda College, Sir P.S. Siva Swami Salai, Mylapore, Chennai – 600 004	2019-20, 2020-21	2
139	St. Jude's College, Thoothoor – 629 176	2018-19, 2019-20, 2022-23	3
140	Sir Theagaraya College, T.H. Road, Old Washermenpet, Chennai – 600 021	2018-19, 2019-20, 2020-21	3
141	Seetha Lakshmi Achi College for Women, Pallathur – 630 107 Sivagangai Dist.	2020-21	1
142	Salem Sowdeswari College, Salem – 636 010	2016-17, 2020-21	2
143	Stella Maris College, 17, Cathedral Road, Chennai – 600 086	2017-18, 2018-19, 2019-20	3
144	Tamilavel Umamaheswaranar Karanthai Arts College, Karunthattankudi, Thanjavur – 613 002	2017-18, 2020-21	2
145	Stella matutina College of Education, Ashok Nagar, Chennai	2019-20, 2020-21	2
146	VV Vanniaperumal College for Women, Virudhunagar – 626 001	2019-20, 2020-21	2
Polytechnics			
147	A.D.J. Dharmambal Polytechnic College, Nagapattinam	2020-21, 2021-22, 2022-23	3
148	A.M.K. Technology Polytechnic College, Sembarambakkam, Chennai	2020-21, 2021-22, 2022-23	3
149	Annamalai Polytechnic College, Chettinad	2019-20, 2020-21, 2021-22, 2022-23	4
150	Ayya Nadar Janaki Ammal Polytechnic College for Women, Sivakasi	2020-21, 2021-22, 2022-23	3
151	Bhakthavachalam Polytechnic College, Kanchipuram	2020-21, 2021-22, 2022-23	3
152	CIT Sandwich Polytechnic College, Coimbatore	2019-20, 2022-23	2
153	GRG Polytechnic College for Women, Coimbatore	2020-21, 2022-23	2
154	Kamaraj Polytechnic College, Kanyakumari	2021-22, 2022-23	2
155	Mohammed Sathak Polytechnic College, Kilakarai	2020-21, 2021-22, 2022-23	3
156	Murugappa Polytechnic College, Avadi, Chennai	2022-23	1
157	Muthaiah Polytechnic College, Chidambaram	2021-22, 2022-23	2
158	Nachimuthu Polytechnic College, Pollachi	2021-22, 2022-23	2
159	NPA Centenary Polytechnic College, Kotagiri	2020-21, 2022-23	2
160	P.T. Lee Chengalvaraya Naickar Polytechnic, Vepery, Chennai	2020-21, 2021-22, 2022-23	3
161	PAC Ramasamy Raja Polytechnic College, Rajapalayam	2021-22, 2022-23	2
162	Pattukottai Polytechnic College, Pattukottai	2022-23	1
163	Periyar Centenary Girls Polytechnic College, Vallam	2022-23	1
164	PSG Polytechnic College, Coimbatore	2022-23	1
165	PSN Ramasamy Ayyar Memorial Polytechnic College for Girls, Trichy	2020-21, 2021-22, 2022-23	3
166	Rajagopal Polytechnic College, Gudiyatham	2021-22, 2022-23	2
167	Ramakrishna Mission Polytechnic College, Mylapore, Chennai	2021-22, 2022-23	2
168	Rukmani Shanmugam Polytechnic College, Madurai	2018-19, 2019-20, 2020-21, 2021-22, 2022-23	5
169	Sakthi Polytechnic College, Sakthinagar	2021-22, 2022-23	2
170	Sankar Polytechnic College, Sankarnagar	2020-21, 2021-22, 2022-23	3

Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2022-23
171	Seshasayee Institute of Technology, Trichy	2020-21, 2021-22, 2022-23	3
172	Sri Krishna Polytechnic College, Coimbatore	2020-21, 2021-22, 2022-23	3
173	Sri Ramakrishna Mission Vidyalaya Polytechnic College, Coimbatore	2020-21, 2021-22, 2022-23	3
174	SSM Polytechnic College, Komarapalayam	2022-23	1
175	Thiyagarajar Polytechnic College, Salem	2021-22, 2022-23	2
176	Vallivalam Desikar Polytechnic, Nagapattinam	2020-21, 2021-22, 2022-23	3
177	VSV Nadar Polytechnic College, Virudhunagar	2021-22, 2022-23	2
178	Arulmigu Palaniandavar Polytechnic College, Palani	2020-21, 2022-23	2
179	Arasan Ganesan Polytechnic College, Sivakasi	2020-21	1
180	EIT Polytechnic College, Kavindapadi	2019-20, 2020-21, 2022-23	3
Others			
181	District Blindness Control Society, Salem	2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	8
182	Spastics Society of Tamil Nadu	2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	6
183	State TB Society, Chennai	2005-06 to 2022-23	18
184	Scheiffelein Leprosy Research and Training Center, Vellore	2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	7
185	Cancer Institute (Wia), Adyar, Chennai	2022-23	1
186	National Rural Health Mission	2022-23	1
187	Tamil Nadu Health Systems Project	2022-23	1
188	Voluntary Health Services, Taramani, Chennai	2020-21, 2021-22, 2022-23	3
189	Tamil Nadu Social Welfare Board	2018-19, 2019-20, 2020-21, 2021-22, 2022-23	5
190	Tamil Nadu Third Gender Welfare Board	2018-19, 2019-20, 2020-21, 2021-22, 2022-23	5
191	Tamil Nadu Social Welfare Board	2018-19, 2019-20, 2020-21, 2021-22, 2022-23	5
192	Tamil Nadu Wakf Board	2013-14 to 2022-23	10
193	Tamil Nadu Basketball Association, Chennai	2008-09 to 2022-23	15
194	Tamil Nadu Institute of Labour Studies	2019-20, 2020-21, 2021-22 & 2022-23	4
195	Tamil Nadu Labour Welfare Board	2019-20, 2020-21, 2021-22 & 2022-23	4
196	Tamil Nadu Manual Workers Welfare Board	2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	6
197	Jeevan Blood Bank and Research Centre	2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	6
198	Head Master, Little Flower Convent Higher Secondary School for the Blind, Chennai	2014-15 to 2022-23	9
199	Head Master, Little Flower Convent Higher Secondary School for the Deaf, Chennai	2011-12 to 2022-23	12
200	St. Louis Institute for Deaf and Blind	2012-13 to 2022-23	11
201	Avinashalingam Education Trust, Social Welfare, Coimbatore	2016-17 to 2022-23	7
202	Kuppuswamy Shastri Research Institute, Royapettah, Chennai	2016-17 to 2022-23	7

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Sl. No.	Name of the body/authority	Year for which accounts have not been received	No. of Accounts pending up to F.Y 2022-23
203	New Century Welfare Society, Social Welfare, Ambattur, Chennai	2016-17 to 2022-23	7
204	Society for Community Organization, Trichy	2014-15 to 2022-23	9
205	Women Indian Association, Chepauk, Chennai	2007-08 to 2022-23	16
206	Women Voluntary Service Of Tamil Nadu, Chetpet, Chennai	2014-15 to 2022-23	9
207	Avvai Home, Adyar, Chennai	2015-16 to 2022-23	8
208	Kandasamy Kandars Trust Namakkal	2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	6
209	Stree Seva Mandir, Chennai	2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	6
210	Andhra Mahila Sabha, Chennai	2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23	6
211	Tamil Nadu Urban Habitat Development Board	2020-21 and 2021-22	2
212	Chennai Metro Water Supply and Sewerage Board	2021-22	1
213	Tamil Nadu Housing Board	2021-22	1
214	Irrigation Management Training Institute, Trichy	2022-23	1
215	Tamil Nadu Watershed Development Agency, Chennai	2022-23	1
216	Tamil Nadu Horticulture Development Agency, Chepauk, Chennai	2020-21, 2021-22, 2022-23	3
217	Tamil Nadu Livestock Development Agency, Chennai	2022-23	1
218	Tamil Nadu Agriculture State Agricultural Marketing Board, Guindy, Chennai	2020-21, 2021-22, 2022-23	3
219	Tamil Nadu Compensatory Afforestation Fund Management and Planning Authority (TN CAMPA) Tamil Nadu Forest Department	2020-21, 2021-22	2

(Source: Information furnished by Head of Departments)

Appendix 4.5

(Reference: Paragraph 4.17)

Status of placement of Separate Audit Report (SAR) in the State Legislature

Sl. No.	Name of the body/authority	Year upto which accounts were received	Period upto which SAR is issued	Status of Placement of SAR in the Legislature
1.	Tamil Nadu State Legal Services Authority	2021-22	2020-21	SARs upto 1999-2000 was placed. SARs from 2000-01 onwards are yet to be placed.
2.	District Legal Services Authority (DLSA), Ariyalur	2021-22	2020-21	DLSA constituted on 17.06.2017. SAR from 2017-18 onwards are yet to be placed.
3.	District Legal Services Authority, Chennai	2021-22	2020-21	SARs upto 1999-2000 was placed. SARs from 2000-01 onwards are yet to be placed.
4.	District Legal Services Authority, Coimbatore	2021-22	2020-21	
5.	District Legal Services Authority, Cuddalore	2021-22	2020-21	
6.	District Legal Services Authority, Dharmapuri	2021-22	2020-21	DLSA constituted on 17.06.2017. SAR from 2017-18 onwards are yet to be placed.
7.	District Legal Services Authority, Dindigul	2021-22	2020-21	SARs upto 1999-2000 was placed. SARs from 2000-01 onwards are yet to be placed.
8.	District Legal Services Authority, Erode	2021-22	2020-21	
9.	District Legal Services Authority, Kancheepuram	2021-22	2020-21	
10.	District Legal Services Authority, Kanyakumari	2021-22	2020-21	
11.	District Legal Services Authority, Karur	2021-22	2020-21	
12.	District Legal Services Authority, Krishnagiri	2021-22	2020-21	
13.	District Legal Services Authority, Madurai	2021-22	2020-21	
14.	District Legal Services Authority, Nagapattinam	2021-22	2020-21	
15.	District Legal Services Authority, Namakkal	2021-22	2020-21	DLSA constituted on 29.03.2002. SAR from 2002-03 onwards are yet to be placed.
16.	District Legal Services Authority, Perambalur	2021-22	2020-21	SARs upto 1999-2000 was placed. SARs from 2000-01 onwards are yet to be placed.
17.	District Legal Services Authority, Pudukkottai	2021-22	2020-21	
18.	District Legal Services Authority, Ramanathapuram	2021-22	2020-21	
19.	District Legal Services Authority, Salem	2021-22	2020-21	
20.	District Legal Services Authority, Sivagangai	2021-22	2020-21	

Sl. No.	Name of the body/authority	Year upto which accounts were received	Period upto which SAR is issued	Status of Placement of SAR in the Legislature
21.	District Legal Services Authority, Thanjavur	2021-22	2020-21	
22.	District Legal Services Authority, Nilgiris	2021-22	2020-21	
23.	District Legal Services Authority, Theni	2021-22	2020-21	DLSA constituted on 28.01.2006. SAR from 2006-07 onwards are yet to be placed.
24.	District Legal Services Authority, Thiruvallur	2021-22	2020-21	DLSA constituted on 03.11.2006. SAR from 2007-08 onwards are yet to be placed.
25.	District Legal Services Authority, Tiruvarur	2021-22	2020-21	SARs upto 1999-2000 was placed. SARs from 2000-01 onwards are yet to be placed.
26.	District Legal Services Authority, Thoothukudi	2021-22	2020-21	
27.	District Legal Services Authority, Tiruchirapalli	2021-22	2020-21	
28.	District Legal Services Authority, Tirunelveli	2021-22	2020-21	
29.	District Legal Services Authority, Tiruppur	2021-22	2020-21	DLSA constituted on 17.06.2017. SAR from 2017-18 onwards are yet to be placed.
30.	District Legal Services Authority, Tiruvannamalai	2021-22	2020-21	SARs upto 1999-2000 was placed. SARs from 2000-01 onwards are yet to be placed.
31.	District Legal Services Authority, Vellore	2021-22	2020-21	
32.	District Legal Services Authority, Villupuram	2021-22	2020-21	
33.	District Legal Services Authority, Virudhunagar	2021-22	2020-21	

(Details furnished by O/o PAG (Audit-II))

Appendix 4.6
(Reference: Paragraph 4.18)
Department/category-wise details of loss to Government
due to theft, shortage and misappropriation

Sl. No.	Name of the department	Theft		Shortage		Misappropriation		Total	
		Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)
1	Agriculture	7	9.26	88	187.25	15	221.86	110	418.37
2	Animal Husbandry	4	0.04	1	0.04	1	87.85	6	87.93
3	Higher Education	8	1.08	6	16.29	8	34.81	22	52.18
4	Commercial Tax	--	--	--	--	3	127.68	3	127.68
5	Co-operation	1	0.02	--	--	1	0.14	2	0.16
6	Election	--	--	1	0.23	--	--	1	0.23
7	Elementary Education	1	--	--	--	1	68.00	2	68.00
8	Energy	1	0.07	--	--	--	--	1	0.07
9	Finance	--	--	--	--	4	234.11	4	234.11
10	Forest	--	--	2	0.32	--	--	2	0.32
11	Health and Family Welfare	4	2.30	7	6.64	22	166.94	33	175.88
12	Highways	--	--	2	16.79	--	--	2	16.79
13	Home	1	0.96	1	--	6	22.54	8	23.50
14	Horticulture	--	--	4	9.73	1	1.14	5	10.87
15	Inspector of factories	1	--	--	--	1	1.43	2	1.43
16	Labour and Employment	2	1.18	--	--	4	5.69	6	6.87
17	Museum	--	--	--	--	1	14.57	1	14.57
18	Public Works	--	--	9	3.46	--	--	9	3.46
19	Rural Development and Panchayat Raj	--	--	3	3.13	1	7.16	4	10.29
20	Revenue	--	--	2	1.27	114	177.04	116	178.31
21	School Education	--	--	1	12.16	4	38.12	5	50.28
22	Sericulture	1	0.05	--	--	1	1.36	2	1.41
23	Social Welfare	--	--	--	--	5	2.32	5	2.32
24	Transport	1	1.97	--	--	1	12.80	2	14.77
25	Treasury	--	--	1	4.00	39	1,577.27	40	1,581.27
Total		32	16.93	128	261.31	233	2,802.83	393	3,081.07

(Source: Information furnished by the Heads of Departments)

Appendix 5.1
(Reference: Paragraph 5.3)
List of Public Sector Undertakings under jurisdiction of Audit in
Tamil Nadu

Finance	
1	Tamil Nadu Handloom Development Corporation Limited
2	Tamil Nadu Adi-Dravidar Housing and Development Corporation Limited
3	Tamil Nadu Backward Classes Economic Development Corporation Limited
4	Tamil Nadu Corporation for Development of Women Limited
5	Tamil Nadu Minorities Economic Development Corporation Limited
6	Tamil Nadu Industrial Investment Corporation Limited
7	Tamil Nadu Transport Development Finance Corporation Limited
8	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
9	Tamil Nadu Linguistic Minorities Social and Economic Development Corporation Limited
10	Tamil Nadu Urban Infrastructure Financial Services Limited
Infrastructure	
11	Tamil Nadu Rural Housing and Infrastructure Development Corporation Limited
12	Adyar Poonga
13	Tamil Nadu Small Industries Development Corporation Limited
14	Tamil Nadu Infrastructure Fund Management Corporation Limited
15	Tamil Nadu Industrial Development Corporation Limited
16	State Industries Promotion Corporation of Tamil Nadu Limited
17	TIDEL Park Limited
18	Nilakottai Food Park Limited
19	Guindy Industrial Estate Infrastructure Upgradation Company
20	Tamil Nadu Road Infrastructure Development Corporation
21	Tamil Nadu Road Development Company Limited
22	IT Expressway
23	TIDEL Park Coimbatore Limited
24	TICEL Bio Park Limited
25	Tamil Nadu Polymer Industries Park Limited
26	Tamil Nadu Sustainable Industrial Water Corporation Limited
27	Tamil Nadu Police Housing Corporation Limited
28	Chennai Smart City Limited
29	Vellore Smart City Limited
30	Tiruchirappalli Smart City Limited
31	Erode Smart City Limited

32	Coimbatore Smart City Limited
33	Salem Smart City Limited
34	Thoothukudi Smart City Limited
35	Thanjavur Smart City Limited
36	Chennai Industrial Water Utility Company Limited
37	Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited
38	CBIC Ponneri Industrial Township Limited
39	Chennai Aerospace Park Limited
40	Tidel Neo Limited
41	Tamil Nadu Industrial Housing Private Limited
42	Tamil Nadu Urban Infrastructure Trustee Company Limited
43	Tamil Nadu State Construction Corporation Limited
Service	
44	Tamil Nadu Civil Supplies Corporation
45	Overseas Manpower Corporation Limited
46	Tamil Nadu Skill Development Corporation Limited
47	Tamil Nadu Medical Services Corporation Limited
48	Tamil Nadu Ex-servicemen's Corporation Limited
49	Tamil Nadu Tourism Development Corporation Limited
50	Poompuhar Shipping Corporation Limited
51	Electronics Corporation of Tamil Nadu Limited
52	Pallavan Transport Consultancy Services Limited
53	Metropolitan Transport Corporation Limited
54	State Express Transport Corporation Limited
55	Tamil Nadu State Transport Corporation (Coimbatore) Limited
56	Tamil Nadu State Transport Corporation (Kumbakonam) Limited
57	Tamil Nadu State Transport Corporation (Salem) Limited
58	Tamil Nadu State Transport Corporation (Villupuram) Limited
59	Tamil Nadu State Transport Corporation (Madurai) Limited
60	Tamil Nadu State Transport Corporation (Tirunelveli) Limited
61	Tamil Nadu Arasu Cable TV Corporation Limited
62	Tamil Nadu FibreNet Corporation Limited
63	Tamil Nadu Internet and Connectivity Services Limited
64	Tamil Nadu State Marketing Corporation Limited
65	Tamil Nadu Working Women's Hostels Corporation Limited
66	Tamil Nadu Wilderness Experiences Corporation Private Limited
67	Tamil Nadu Centre of Excellence for Advanced Manufacturing
68	Tamil Nadu Startup and Innovation Mission

69	Tamil Nadu Smart and Advanced Manufacturing Centre
70	Tamil Nadu Advance Manufacturing Centre of Excellence Private Limited
71	Tamil Nadu Food processing and Agri Export Promotion Corporation
72	Tamil Nadu Coir Business Development Corporation
73	i Tamil Nadu Technology Foundation
74	Tamil Nadu Green Climate Company
75	TN Apex Skill Development Centre for Logistics
76	TN Apex Skill Development Centre for Health Care
77	Tamil Nadu Warehousing Corporation
78	Tamil Nadu Goods Transport Corporation Limited
Power	
79	Tamil Nadu Generation and Distribution Corporation Limited
80	Tamil Nadu Transmission Corporation Limited
81	TNEB Limited
82	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited
83	Udangudi Power Corporation Limited
Others	
84	Tamil Nadu Fisheries Development Corporation Limited
85	Tamil Nadu Forest Plantation Corporation Limited
86	Tamil Nadu Tea Plantation Corporation Limited
87	Arasu Rubber Corporation Limited
88	Tamil Nadu Small Industries Corporation Limited
89	Tamil Nadu Textiles Corporation Limited
90	Tamil Nadu Zari Limited
91	Tamil Nadu Handicrafts Development Corporation Limited
92	Tamil Nadu Salt Corporation Limited
93	Tamil Nadu Sugar Corporation Limited
94	Perambalur Sugar Mills Limited
95	Tamil Nadu Cements Corporation Limited
96	Tamil Nadu Minerals Limited
97	Tamil Nadu Magnesite Limited
98	Tamil Nadu Industrial Explosives Limited
99	Tamil Nadu Newsprint and Papers Limited
100	Tamil Nadu Medicinal Plant Farms and Herbal Medicine Corporation Limited
101	Namma School Foundation
102	Tamil Nadu Unmanned Aerial Vehicle Corporation

Appendix 5.2

(Reference: Paragraph 5.8.2;)

Details of PSUs whose Net worth has eroded as per their latest finalised accounts

(₹ in crore)

Sl No.	Name of SPSE	Latest year of finalised Accounts	Total paid up capital	Net profit (+)/Loss (-) after Interest, tax and dividend	Accumulated losses	Net worth	Period since when Net worth remained Negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
	1	2	3	4	5	6	7	8	9
1	Tamil Nadu Tea Plantation Corporation Limited	2022-23	14.96	(-) 37.74	(-) 299.00	(-) 278.36	2010-11	14.96	116.05
2	Tamil Nadu Sustainable Industrial Water Corporation Limited	2022-23	0.05	(-) 0.03	(-) 0.62	(-) 0.57	2018-19	0.00	0.00
3	Tamil Nadu Sugar Corporation Limited	2022-23	218.24	(-) 20.15	(-) 251.29	(-) 33.05	2020-21	217.24	0.00
4	Perambalur Sugar Mills Limited	2022-23	209.10	25.51	(-) 319.61	(-) 110.51	2013-14	0.00	0.00
5	Tamil Nadu Minerals Limited	2022-23	15.74	(-) 4.66	(-) 257.46	(-) 155.29	2018-19	15.74	120.33
6	Tamil Nadu Industrial Explosives Limited	2022-23	27.03	(-) 12.67	(-) 262.36	(-) 235.33	Prior 2010	22.14	3.53
7	Pallavan Transport Consultancy Services Limited	2022-23	0.10	0.06	(-) 1.59	(-) 1.49	Prior 2010	0.10	0.00
8	Metropolitan Transport Corporation Limited	2022-23	982.59	(-) 995.56	(-) 8,405.11	(-) 7,422.52	Prior 2010	982.59	284.11
9	State Express Transport Corporation Limited	2022-23	704.02	(-) 379.76	(-) 4,135.77	(-) 3,431.75	Prior 2010	704.02	356.89
10	Tamil Nadu State Transport Corporation (Coimbatore) Limited	2022-23	993.32	(-) 964.53	(-) 8,888.82	(-) 7,895.50	Prior 2010	993.32	311.19
11	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	2022-23	1,007.82	(-) 775.68	(-) 7,770.22	(-) 6,762.40	Prior 2010	1,007.82	510.83
12	Tamil Nadu State Transport Corporation (Salem) Limited	2022-23	616.59	(-) 634.21	(-) 5,383.17	(-) 4,766.58	Prior 2010	616.59	601.34
13	Tamil Nadu State Transport Corporation (Villupuram) Limited	2022-23	848.54	(-) 906.30	(-) 7,054.99	(-) 6,206.45	Prior 2010	848.54	381.12

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(₹ in crore)

Sl No.	Name of SPSE	Latest year of finalized Accounts	Total paid up capital	Net profit (+)/Loss (-) after Interest, tax and dividend	Accumulated losses	Net worth	Period since when Net worth remained Negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
14	Tamil Nadu State Transport Corporation (Madurai) Limited	2022-23	814.47	(-) 704.98	(-) 6,207.87	(-) 5,393.40	Prior 2010	814.47	905.28
15	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	2022-23	903.51	(-) 716.84	(-) 6,710.54	(-) 5,807.03	2010-11	903.51	927.76
16	Tamil Nadu Arasu Cable TV Corporation Limited	2022-23	25.00	(-) 3.20	(-) 208.95	(-) 183.95	2019-20	25.00	0.00
17	Tamil Nadu State Marketing Corporation Limited	2022-23	15.00	(-) 2.05	(-) 370.40	(-) 354.42	2013-14	15.00	0.00
18	Chennai Industrial Water Utility Company Limited	2022-23	0.05	(-) 0.01	(-) 0.20	(-) 0.15	2020-21	0.00	0.00
19	Tidel Neo Limited	2022-23	0.10	(-) 0.32	(-) 0.49	(-) 0.39	2022-23	0.00	0.00
20	Tamil Nadu Smart and Advanced Manufacturing Centre	2022-23	0.001	(-) 2.19	(-) 2.19	(-) 2.19	2022-23	0.00	0.00
21	Tamil Nadu Food processing and Agri Export Promotion Corporation	2022-23	0.00	(-) 0.01	(-) 0.01	(-) 0.01	2022-23	0.00	0.00
22	Tamil Nadu Generation and Distribution Corporation Limited	2022-23	20,119.16	(-) 9,192.25	(-) 1,62,507.04	(-) 1,42,387.88	2011-12	0.00	4,558.00
23	Tamil Nadu Transmission Corporation Limited	2021-22	5,748.07	(-) 655.25	(-) 7,451.84	(-) 1,703.77	2019-20	0.00	20.45

Source: Latest finalised accounts.

Glossary of terms and abbreviations used in the Report

Terms	Description
Accounts or actuals	‘Accounts’ or ‘actuals’ of a year - are the amounts of receipts and disbursements for the financial year beginning on April 1 st and ending on March 31 st following, as finally recorded in the Accounting authority’s books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
Administrative approval	‘Administrative approval’ of a scheme, proposal or work - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
Annual financial statement	‘Annual financial statement’ – Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
Appropriation	‘Appropriation’ - means the amount authorized by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
Average interest rate	Average interest rate is defined as the percentage of interest payment made to average financial liabilities of the State during the year i.e. (sum of opening and closing balances of fiscal liabilities/2) x 100
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i> .
Charged Expenditure	‘Charged Expenditure’ - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
Consolidated Fund of India/ State	‘Consolidated Fund of India/State’ - All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
Contingency Fund	‘Contingency Fund’ is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.

Terms	Description
Controlling Officer (Budget)	‘Controlling Officer (budget)’ - means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate - interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilise eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.
Debt sustainability	Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure , while expenditure on General Services is treated as non-development expenditure.
Drawing and Disbursing Officer (DDO)	‘Drawing and Disbursing Officer’ (DDO) – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function.
Excess Grant	‘Excess Grant’ – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
Liability of borrowed funds	Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which

Terms	Description
	the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.
Major Head	‘Major Head’ - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a ‘function’ of Government such as Agriculture, Education, Health, etc.
Major Work	‘Major Work’ - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
Minor Head	‘Minor Head’ - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a “programme” undertaken to achieve the objectives of the function represented by the Major Head.
Minor Work	‘Minor Work’ - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
Modified Grant or Appropriation	‘Modified Grant or Appropriation’ - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
New Instrument of Service	‘New Instrument of Service’ - means relatively large expenditure arising out of important expansion of an existing activity.
New Service	‘New Service’ – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.
Primary revenue deficit	Primary revenue deficit defined as gap between non-interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.
Public Accounts	‘Public Accounts’ - means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
Re-appropriation	‘Re-appropriation’ - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
Revised Estimate	‘Revised Estimate’ - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year,

Terms	Description
	with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
Schedule of New Expenditure	‘Schedule of New Expenditure’ - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
Sub-Head	‘Sub-Head’ - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
Sub-Major Head	‘Sub-Major Head’ - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
Sufficiency of Non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Supplementary Demands for Grants	<p>‘Supplementary Demands for Grants’- means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.</p> <ol style="list-style-type: none"> a) Cash Supplementary is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State. b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. Technical Supplementary, after obtaining the approval of the State Legislature, allows to utilize the savings of one of the Sections for any other Section. c) Token Supplementary allows to utilize the savings within the same section of the grant.
Supplementary or Additional Grant or Appropriation	‘Supplementary or Additional Grant or Appropriation’ - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
Token demand	‘Token demand’ - means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

Abbreviations	Full form
AC	Abstract Contingent
AFS	Annual Financial Statement
AG (A&E)	Accountant General (Accounts & Entitlements)
AGM	Annual General Body Meeting
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
CAG	Comptroller and Auditor General of India
CAS	Central Accounting Section
CCO	Chief Controlling Officer
CE	Capital Expenditure
CF	Contingency Fund
CFA	Contingency Fund Advance
CGA	Controller General of Accounts
CGST	Central Goods and Services Tax
CMWSSB	Chennai Metropolitan Water Supply and Sewerage Board
CPI	Consumer Price Inflation
CSF	Consolidated Sinking Fund
CSS	Centrally Sponsored Schemes
CTA	Commissioner of Treasuries and Accounts
DBT	Direct Benefit Transfer
DC	Detailed Contingent
DCPS	Defined Contributory Pension Scheme
DCRG	Death-Cum-Retirement Gratuity
DDO	Drawing and Disbursing Officer
DDR	Debt, Deposits and Remittances
DIC	Directorate of Industries and Commerce
DISCOMs	Distribution Companies
DPC Act	Duties, Powers and Conditions of Service Act
DPO	District Project Officer
DTO	District Treasury Officer
DTCP	Director of Town and Country Planning
DTO	District Treasury Officer
EBIT	Earnings Before Interest and Taxes
ECS	Electronic Clearance Service
EPC	Engineering, Procurement and Construction

Abbreviations	Full form
FC	Finance Commission
FD	Fiscal Deficit
FMA	Final Modified Appropriation
FMG	Final Modified Grant
FRBM	Fiscal Responsibility and Budget Management
GASAB	Government Accounting Standards Advisory Board
GBS	Gender Budget Statement
GBC	Gender Budget Cell
GCS	General Category States
GDC	Government Data Centre
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GoTN	Government of Tamil Nadu
GPF	General Provident Fund
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
GSVA	Gross State Value Added
HoA	Head of Account
HoD	Head of the Department
IFHRMS	Integrated Financial and Human Resources Management System
ICPS	Integrated Child Protection Scheme
ICR	Interest Coverage Ratio
IGAS	Indian Government Accounting Standards
IGST	Integrated Goods and Service Tax
JBBRS	Jeevan Blood Bank and Research Centre
LIC	Life Insurance Corporation
LMMH	List of Major and Minor Heads
LPG	Liquefied Petroleum Gas
MGNRGE	Mahatma Gandhi National Rural Guarantee Employment
MH	Major Head
MIS	Management Information System
MoI	Memorandum of Instructions

Abbreviations	Full form
MoU	Memorandum of Understanding
MTFP	Medium Term Fiscal Plan
NABARD	National Bank for Agriculture and Rural Development
NPS	National Pension Scheme
NDRF	National Disaster Response Fund
NSDL	National Securities Depositories Limited
NSSF	National Small Saving Fund
OBB	Off-Budget Borrowings
OD	Over Draft
PAC	Public Accounts Committee
PAG	Principal Accountant General
PAO	Pay and Accounts Officer
PD	Primary Deficit
PD Account	Personal Deposit Account
PEFA	Public Expenditure and Financial Accountability
PFMS	Public Financial Management System
PFRDA	Pension Fund Regulatory and Development Authority
PMAY	Pradhan Mantri Awas Yojana
PMGSY	Pradhan Mantri Gram Sadak Yojana
PRI	Panchayati Raj Institutions
PSE	Public Sector Enterprises
PSUs	Public Sector Undertakings
RBI	Reserve Bank of India
RoCE	Return on Capital Employed
RoE	Return on Equity
RD	Revenue Deficit
RE	Revenue Expenditure
RR	Revenue Receipts
RUSA	Rashtriya Uchhathar Siksha Abhiyan
SAR	Separate Audit Report
SDRF	State Disaster Response Fund
SDMF	State Disaster Mitigation Fund
SFAR	State Finance Audit Report
SGST	State Goods and Service Tax

Abbreviations	Full form
SIA	State Implementing Agency
SLR	Statutory Liquidity Ratio
SNA	Single Nodal Agency
SPMRM	Shyama Prasad Mukherji Rurban Mission
SPSE	State Public Sector Enterprises
SPV	Special Purpose Vehicles
SRLM	State Rural Livelihood Mission
SWMA	Special Ways and Means Advance
TA	Temporary Advance
TANGEDCO	Tamil Nadu Generation and Distribution Corporation
TANSIDCO	Tamil Nadu Small Industries Development Corporation
TANTRANSCO	Tamil Nadu Transmission Corporation Limited
TFC	Thirteenth Finance Commission
T.Bills	Treasury Bills
TE	Total Expenditure
TNEB	Tamil Nadu Electricity Board
TNFR Act	Tamil Nadu Fiscal Responsibility Act
TNIDB	Tamil Nadu Infrastructure Development Board
TNIDF	Tamil Nadu Infrastructure Development Fund
TNRSP	Tamil Nadu Road Sector Project
UC	Utilisation Certificate
UDAY	Ujwal Discom Assurance Yojana
ULBs	Urban Local Bodies
UT	Union Territory
VAT	Value Added Tax
VLC	Voucher Level Compilation
WMA	Ways and Means Advance

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